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THE JERUSALEM POST

TUESDAY, MAY 14, 1957

PRICE : 140 PRUTA
VOL. XXXIII, No. 8809

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LATEST FASHIONS IN KNITWEAR AND JERSEY SUITS

MARGINAL COLUMN

By ARTHUR SAUL SUFER

THIRTEEN countries were recently surveyed under the auspices of UNESCO with a view to ascertaining what place sport should occupy in the educational system. They were Australia, Austria, Canada, Ceylon, France, Honduras, India, Italy, New Zealand, Norway, Poland, Spain and Sweden. Several international sports bodies were also brought into the discussion. The consensus of teachers and parents seems to have been that sport and games are an integral element in the educational system and must be considered as important as any mental educational effort. But practice differs from theory; for the part given to sport in the curricula of the various countries varies from almost nil to a thorough integration of physical education, as, for example, in Sweden. It seems to be largely a matter of the national ethos. India and Honduras would like to introduce more sport, but their problem is a lack of suitable facilities. India, too, is plagued by indescribable poverty and in this, as in many things in India, there is a great gap between the theoretical recognition of a need and the means to fill it. France reports that the attempt to create a better balance between physical and mental education runs aground on the shoals of an antagonistic national tradition, which is surprising to those who have seen the French nation at play. In general the parents there come down in favour of the view that sport can hardly be considered as one of the most vital factors in creating a sense of discipline or giving a child training in discipline.

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THE study of course was bound to produce some one-sided results because of the very nature of the participating countries. Had Britain and the U.S., for example, been included one might have found some very different conclusions; for in the former country the standards of the public school system, ever since the days of Dr. Arnold, have revolved around sport. It is not so long since the possession of a "Blue" at Oxford and Cambridge was a more valuable passport to a successful career than a brilliant degree. In the U.S. the days are rapidly passing when footballers could get by on their skill on the field, and more than a modicum of academic efficiency is now insisted upon. In Israel, the development of sport in schools lags for simple technical reasons. The facilities are just not there in so many schools, and the provision of classrooms to eliminate makeshift buildings and two shifts in instruction must come first. The lack of afternoon school also leaves little chance for organized sport; so does the fact that teachers remove themselves immediately after the last lesson and pay little attention to extra-curricular activities among their students. The latter does not apply to teachers in the new immigrant areas and border villages to the extent it does in the cities. The devotion of the rural teacher to his pupils and their parents is writing a new page in Israel's educational history. But they have little time to worry about sport. Their problem is to try to give the pupil enough in the few hours of instruction to help him reach the level of the *Sabra* or long-resident child. Most authorities seem to think special methods and longer hours of instruction would be needed for this, and so far they are not available.

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BUT one wonders whether it is just technical factors which prevent a greater concentration on sport in the Israel educational system. In the Jewish consciousness there is an obstinate, lingering prejudice against sport which goes back a very long way. It is a remnant of the old struggle with the Hellenism of the pre-Christian era. It is associated with the imperial Roman games and what they implied. It is also a revolt by a people which saw brute physical force always exalted and which was forced more and more to cherish the things of the spirit as the only possible weapon against impossible odds. This does not mean that the Jew was not concerned with the care and fitness of the body. If only because he thought that his mortal frame would be physically resurrected, he had an obligation to look after it well. The Cabalists had a daring concept in which they imagined the entire universe as the body of God, drawing parallels between each part of the human frame and the various emanations of God's presence.

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NEVERTHELESS one welcomes the great strides that sport is making in Israel and hopes that it will fill an increasing place in the organized school curriculum. We are still not free of the curse of over-intellectualization and we might move more quickly towards a healthy balance if sport were given greater importance in our educational programme.

Jerusalem, May 14.

Histadrut Sees Ata Strike as 'Local'

Jerusalem Post Staff

The Histadrut maintains the view that the Ata strike is a local dispute and it will not intervene — at least for the next few days. Histadrut Trade Union circles said in Tel Aviv yesterday. It was pointed out that as Ata is not tied up with national collective agreements, the affair remains within the jurisdiction of the Haifa Labour Council.

Meanwhile, violence flared yesterday in the strike of Ata's 1,600 textile workers, now entering its fourth day. Yesterday morning strikers caused disturbances at the firm's wholesale and retail depot in Haifa's Lower Town, and at the private residence of the General Manager, Mr. Hans Moller.

Police were called out in both cases and arrested 14 strikers, including two women. Five were later released. One of the strikers was injured and taken to hospital. Several persons who tried to make purchases at the depot were beaten up.

By the afternoon, however, calm had returned, helped by the fact that the Haifa Labour Council, which organized the pickets, realized that Communist elements were having a field day inciting workers to excesses.

Police Stand By

The Haifa police were ordered to stand to early in the morning to deal with all possible outbreaks. Regular work was badly hampered as constables were taken off their routes and clerks from their desks to deal with the situation.

No progress towards ending the strike had been made by last night, and there was no contact between the two sides. The management offered to pay the outstanding part of April salaries if the strikers stopped interfering with sales at the main depot and removed the pickets. This was refused.

The trouble started before 7 a.m. yesterday when several hundred pickets, detailed to the depot, prevented managers of the firm from opening it. Steel-helmeted police forced a way through the picket lines and helped open the store, while the strikers shouted abuse. A little later the 30 employees of the depot turned up for work, but were halted, being told that they, too, were considered on strike. The employees submitted and left. The store remained staffed by several Ata managers.

Pickets Block Entry

The pickets then blocked the entrance and threatened customers. One man who came to buy trousers to replace his torn pair, was assaulted on leaving the store. Police then brought up reinforcements of three officers and 20 men. They lined up in front of the shop opposite the pickets, to allow customers in.

Your reporter who went in to buy a vest had his parcel torn from him on leaving the shop. The strikers offered to return it, "If you give it back to the shop." The police officer on duty assured me that I was fully entitled to buy in the shop, but the pickets threatened, "You won't get home alive with that parcel." The vest was returned to the shop and the money refunded.

Later there were sporadic outbursts of violence which slowly reached a climax, egged on by Communist agitators. Arrests were then made and by noon most of the pickets were called off. In the afternoon business proceeded almost normally.

In the morning several hundred strikers also broke into the grounds of Mr. Moller's home near the plant. They demanded that several senior clerks, who had not joined the strike, stop their work in the house. The strikers got as far as the front door when police were called. The Ata management emphasized that these senior employees were not strike breakers but were merely seeing to some urgent business matters, including correspondence. Each of them was warned by the strikers that he would have to face the consequences of his action.

Opposition Wants Solh to Quit

Leaders of Lebanese opposition groups, following their meeting on Sunday, yesterday demanded the resignation of the Solh Government and the appointment of a caretaker Cabinet to supervise the general elections scheduled next month, the Arab News Agency reported yesterday.

The opposition leaders include four ex-Premiers, all pro-Egyptian. They were reported to have been encouraged in their attitude by the recent inflammatory broadcast of Cairo Radio.

Meanwhile the Egyptian Ambassador, Abdul Hamid Chales, has promised Foreign Minister Charles Malik to "use his good offices" to stop the Egyptian press and radio campaign against the Lebanon's pro-Western foreign policy and politicians, an authoritative source said yesterday.

The Lebanon has not protested to Egypt verbally or in writing but Dr. Malik drew the Ambassador's attention to the campaign at a meeting last Friday.

Meanwhile, 200 sheep and a camel were ritually slaughtered in Beirut streets yesterday to celebrate the discharge of Premier Sami Solh from hospital where he had been treated for a lung infection. The slaughtered animals were later distributed to the poor.

Mollet Gets Party Backing on Algeria

PARIS, Monday (Reuter). — Premier Guy Mollet was last night reassured of the backing of his Socialist Party for his policy of reform combined with armed pacification in Algeria.

The Socialist National Council passed a motion expressing confidence in the Socialist Ministers and party leadership by 2,997 votes against 401, with 435 abstentions.

Algeria and the Government's austerity programme were understood to have been the main subjects discussed in the closed meeting, much of which was given up to replies by M. Mollet and M. Robert Lacoste, Minister Resident in Algeria, to minority attacks on the Algerian issue.

LIBYA TO AID REBELS

TRIPOLI, Monday (Reuter). —Premier Mustafa Ben Halim last night pledged financial, political and moral support to the Algerian nationalists.

He was speaking at a special session of the Libyan Parliament in honour of the visiting Tunisian Premier, Habib Bourguiba.

Faisal-Saud Parley Enters Final Stage

The Iraqi-Saudi talks in Baghdad yesterday entered their final stage and a joint communique is expected to be announced tonight.

Yesterday, the first private talks between Kings Faisal and Saud started, after rain postponed a huge military parade which the Saudi monarch was scheduled to review.

While the official talks end today, Saud will remain in Iraq for another four days.

Official circles remained silent on the possibility of King Hussein of Jordan arriving here for talks with Faisal and Saud. Informed quarters discounted the possibility of Lebanese participation in the reported conference.

However, the Baghdad daily "El Zaman" yesterday published a speculative article on the possibility of a conference between Saudi Arabia, Egypt, Syria and Jordan, which indicated that the Iraqi Government is not altogether opposed to the idea.

For the first time yesterday the Baghdad press went all out in referring to the great significance of the Saud visit.

"A-Sha'ab" spoke of a Baghdad-Riadh axis, saying, "Arabs are in the midst of a conflict raging between East and West and must decide now to avert the danger threatening them." "El Bilad" said Saud's visit is of "great significance.... it is hoped the visit will be a prelude to the removal of barriers between the Arab Governments."

(Ramallah Radio, UP)

Deny Hussein To Confer in Iraq

Bahjat Talhouni, King Hussein's Chief Cabinet Director, has denied reports that the Jordan monarch will visit Baghdad in the near future, according to the Old City daily "El Jihad" yesterday.

There have been persistent reports during the past few days that Hussein would go to Baghdad to join in the talks now going on between King Saud of Saudi Arabia and Iraq Government officials.

"El Jihad" also predicted a large-scale reshuffle this week among Arab Legion officers and regional commanders. It also said that the Governor of Amman, Abdul Majid Adwan, has resigned.

"A-Diffa" said that arrests are continuing, and that eight Communists, including Abdul Mahdi Ashab, a relative of the Israel Communist, Awdah Ashab, were detained in Hebron in raids on Sunday. Others arrests were made in Zerka and Ramallah area villages.

Meanwhile, the Jordan press in the last few days appeared with a spate of advertisements placed by persons who pledge loyalty to the King and deny connections with "evil parties," apparently in an effort to prevent detention. These have been signed by lawyers and other professionals as well as mukhtars and prominent citizens.

Syria Requests U.N. Meeting On Hula Bridge

By JESSE ZEL LURIE
Jerusalem Post Correspondent

NEW YORK, Monday. — The U.N. Secretary-General, Mr. Dag Hammarskjold, returned to his office today to find a request by Syria for a Security Council meeting on the bridge erected by Israel in the Lake Hula demilitarized area, and no one rushing to see him to find out what, if anything, he had accomplished in Israel.

The Israel Ambassador, Mr. Abba Eban, and Mr. Mordechai Kidron saw him this morning to follow up on the Jerusalem conversations.

The press this morning predicted that both Mr. Henry Cabot Lodge of the U.S., and Omar Loutfi of Egypt would call on the Secretary-General today. But a check at his office revealed that he had no appointments with them.

Mr. Hammarskjold will report to the UNEF Advisory Committee tomorrow or Wednesday and will meet the press on Thursday.

BIG DEBATE FEARED

UNITED NATIONS, Monday (UP). — Western diplomats feared that Syria's complaint might touch off another full-scale debate on the Middle East situation.

The Syrian delegate, Rafik Asha, saw Mr. Hammarskjold tonight and later submitted a letter to Mr. Lodge, the Council President, demanding a meeting of the Council as soon as possible. However, the Council was not expected to meet before Thursday or Friday.

MEIR REPORTS

The Foreign Minister, Mrs. Golda Meir, yesterday reported to the Knesset Foreign Affairs and Security Committee on the recent talks conducted by the Government with the U.N. Secretary-General, Mr. Dag Hammarskjold, and President Eisenhower's special envoy to the Middle East, Mr. James Richards.

Israel Expels Eleven

RAMLE, Monday. — Eleven infiltrators, including a woman, have recently been expelled by the Central District Police. Most of them were from Khan Yunis in the Gaza Strip, and were detained a month ago in a boat off the Israel coast.

Some 50 sheep were returned by the Jordan authorities over the week-end. The flock had been taken across the border into Jordan by Israel Arabs of Kfar Taibe. Two of the Arabs refused to return to Israel and remained in Jordan.

The flock was returned after continual demands by Israel representatives in the Israel-Jordan Mixed Armistice Commission.

2 AFRICANS KILLED IN JO'BURG RIOT

JOHANNESBURG, Monday (Reuter). — Two Africans were killed and 14 persons injured in a riot in the Orlands African township on Saturday night. Riot squads used sten guns to end the disturbance which started when undesirables were arrested. About 20 Africans, arrested for various offences, were snatched from the police by an angry mob and escaped.

Britain Backs Israel Right To Free Passage in Canal and Gulf

U.K. Lifts Ban on Canal

LONDON, Monday (UP). — Prime Minister Harold Macmillan today gave British shippers permission to resume use of the Suez Canal, and announced that arrangements had been made for British ships to pay tolls in sterling.

Egypt previously had refused to accept British currency.

Mr. Macmillan also announced that direct negotiations are to be opened with Egypt "in a neutral centre" on financial differences with Egypt over Abdul Nasser's nationalization of the waterway. This will be the first direct contact between the two countries since the Anglo-French Suez intervention last November.

The Premier did not give the date and place of the meeting, but official sources later disclosed that the negotiations will start in Rome on May 23. They said the Rome conference will take up Britain's claims for compensation as a result of the nationalization of the old Suez Canal Co. and other property since seized by the Egyptian Government.

Informed sources said the Rome talks will be wholly concerned with financial matters and will not deal with any political settlement on the overall future of the Canal.

New Account Created

Mr. Macmillan said that a new transferable account (No. 1 Special Account) has been opened by the Bank of England in the name of the National Bank of Egypt. Residents of the U.S. can use this account only for Canal dues and other shipping disbursements, but the British Government will examine the possibility of extending its use to British residents also for such transactions.

The existing No. 1 Account will remain blocked, he said.

Following the Premier's statement Mr. Herbert Morrison (Labour) pointed out that a number of major issues, such as freedom for Israel shipping, had not been mentioned in the statement. Mr. Macmillan suggested that these matters could best be expounded in the course of next week's debate.

Mr. Macmillan agreed with the view of another Labourite, Mr. Emanuel Shinwell, who declared that there can be no permanent solution of the Canal dispute until the waterway is made free for all shipping, including the shipping of Israel. The Premier expressed "great sympathy" with Mr. Shinwell's statement that "Israel must not be regarded as expendable even in order to reach some kind of understanding with the Egyptian Government."

Explains Decision

In announcing the Government's permission for British shipping to use the Canal, Mr. Macmillan said the decision was made in view of the decision of the majority of members of the Suez Canal Users Association to let member-governments make their own choice on the unofficial boycott of the waterway.

Mr. Macmillan's long-awaited announcement was heard in total silence in the crowded chamber.

The majority of foreign lines have already indicated that they intend to use the Canal, the Premier said. "In these circumstances and with the reservations of their rights, which, as I have already said, have been stated on behalf of the member countries of the Suez Canal Users Association, Her Majesty's Government can no longer advise British shipowners to refrain from using the Canal."

Mr. Macmillan's "surrender" to Egypt was expected to set off a small-scale revolt by extreme right-wing Conservatives of the "Suez Rebel" group. Whether they go through with the threatened bolt will not be known until the full-scale debate, expected on Wednesday or Thursday.

The only heated question was asked by Mr. Emerys Hughes (Labour), who wanted to know if Mr. Macmillan would put on the record to the cost to the British taxpayer of the "greatest retreat from Egypt since Moses."

The Premier replied that this was a short view of the situation. He said the matter is not yet ended, and present development is just a stage in the proceedings.

PASSES SUEZ

CAIRO, Monday (Reuter). — The British cargo ship Skiensfjord passed southbound through the Suez Canal today on its way to Basra. The ship reached Port Said from Rotterdam yesterday, and paid her tolls in dollars.

Two Soviet tankers were held up in Port Said today, unable to pay Canal tolls.

AFGHAN PREMIER IN CAIRO FOR TALKS

Premier Mohamed Daoud of Afghanistan arrived yesterday in Cairo and shortly afterwards had his first conference with Abdul Nasser, Cairo Radio reported last night. The Afghan Premier will remain in Egypt until Saturday.

Joliot-Curie: Israel Is Positive Reality

By MAURICE CARR,
Jerusalem Post Correspondent

PARIS, Monday. — Prof. Frederic Joliot-Curie, eminent atomic scientist and President of the World Peace Council, stated today that the "question of peace in the Middle East is not a local one but is linked with safeguarding world peace. Israel is a positive reality in the region and she can contribute much to the well-being and development of the whole of the Middle East thanks to her initiative and human and industrial potential."

He made the statement in the course of a cordial meeting with Mr. Jacob Majus, member of the Central Committee of Mapam, on how best to promote Middle East peace on the eve of the World Peace Council conference which will be held in Colombo next month and to which representatives from Israel and the Arab countries have been invited.

Must Find Solution

He said that "this reality has to be acknowledged and means must be found for a solution to the Arab-Israel conflict on the basis of peaceful co-existence. This will be achieved by free negotiation between the parties concerned without outside pressure and to the benefit of all peoples in the region — the negotiations leading to the conclusion of permanent peace treaties superseding the present precarious situation."

According to the leftist weekly "France-Observateur," Abdul Nasser, after some hesitation, decided to send a delegation to Colombo, but it will not be headed by Yousef Helmi, leader of the Egyptian peace movement.

Helmi, it will be recalled, is the sole Egyptian politician who dared publicly advocate Arab-Israel peace negotiations without prior conditions. He was recently allowed to return to Egypt after a prolonged exile.

U.S. Envoy Calls On B.G. and Meir

Jerusalem Post Reporter

Mr. Edward Lawson, the U.S. Ambassador, called on Prime Minister David Ben-Gurion yesterday afternoon in Jerusalem. Later he called on Mrs. Golda Meir, the Foreign Minister.

Official sources state that Mr. Lawson called only to pay his respects before departing for home leave in the U.S. It was said that he intended to take this leave last year, but delayed going due to the Sinai campaign.

UNEF Danes Hold Farewell Parade

GAZA, Monday (UP). — The Danish contingent of the UNEF held a farewell parade at Beit Hanoun today.

Major-General E. L. M. Burns, UNEF Commander, reviewed the 450 men returning to Denmark. (It was not stated whether the contingent will be replaced.)

Clear Sky Provides Full View of Eclipse

Jerusalemites had a good opportunity of viewing the eclipse of the moon last night, as the sky was completely free of clouds. The eclipse was first seen a few minutes before midnight as the earth's shadow gradually enveloped the almost full-moon. At midnight it was one-third covered. The eclipse became total at 50 minutes after midnight darkening the night sky.

Polish Communists May Expel Berman from Party

NEW YORK (INA). — "The New York Times" reports from Warsaw that a special committee is reported to have recommended the expulsion of Mr. Jakub Berman from the Communist Party.

The report will be discussed by the party's Central Committee on Wednesday.

Mr. Berman was the Politburo member charged with supervising security. He resigned that post last May. Last October he "apologized" for his "error."

AFTER MIDNIGHT

An Egyptian Finance Ministry spokesman said in Cairo yesterday in a statement following Britain's announcement on Suez Canal tolls, "It is expected that Anglo-Egyptian trade talks will take place very soon."

Lloyd Urges 'Legal' Solution

LONDON, Monday. — Foreign Secretary Selwyn Lloyd urged today that the problem of whether Israel can use the Suez Canal be legally determined as soon as possible.

A Labour Member, Sir Lynn Ungoed Thomas, had told the Commons that Israel's exclusion from the Canal by Egypt was in breach of international law, U.N. resolutions and the 1888 Constantinople Convention. "Is it Government policy to secure passage for Israel ships through the Canal?" he asked.

Mr. Lloyd answered, "Our view is that under the Convention, Israel ships are entitled to go through that Canal. I understand the Egyptian Government takes up the position that they are not entitled to, under that convention. But it would be very much better if it could be determined as soon as possible."

Int'l Waterway

Answering further questions, Mr. Lloyd said the British Government considered the stretch of water in the middle of the Gulf of Akaba constitutes international waters.

A Conservative, Mr. Isaac Pittman, had asked if the Foreign Secretary had considered the Saudi Arabian memorandum circulated by the U.N. This asked for support of friendly governments to the contention that the islands of Tiran and Sanafir and the Straits separating them were under the sovereignty and jurisdiction of the Egyptian Government.

Mr. Lloyd replied, "In the Government's view there is a stretch of water in the middle of the Gulf of Akaba outside the territorial waters of the Arab littoral states which constitutes an international waterway. The Government considered there should be the right of free passage through the Straits of Tiran."

Quotes U.N. View

Replying to a question as to whether he would support U.N. control in the area of Sanafir and Tiran, Mr. Lloyd pointed out that the U.N. Secretary-General has said it was not the intention that the U.N. Emergency Force should be used to bring about a permanent settlement of the question which would be a matter for agreement between the interested states.

When Mr. Barnett Janner (Labour), pointing to the continued Egyptian blockade of the Suez Canal to Israel ships suggested, that a nation which flouts U.N. decisions should not have the opportunity of bringing any pleas to the U.N., Mr. Lloyd said, "I certainly agree. That is the consideration which should affect the value attached by other members of the U.N. to any plea brought forward by any such country."

West Europe Not Depending on Suez

LONDON, Monday (UP). — Prime Minister Macmillan's statement in the Commons today was not taken to mean that Western Europe intends to resume its dependence on the Suez Canal.

Representatives of 17 international oil companies opened talks here today on an alternative pipeline which will detour up to 70 million tons of crude oil a year.

A communique issued at the opening of the meeting said, "To this end, the provision in stages of a new trunk pipeline system with a capacity equivalent to a double 38-40-inch pipeline is being considered. Much further study will be needed before these tentative plans can take final shape."

"It is not within the scope of the committee's task to examine the problem of alternative means of transport by sea," the communique said.

Can Use Canal, U.S. Shipowners Told

WASHINGTON, Monday (UP). — The State Department announced today it has informed U.S. shipowners there are no objections to their using the Suez Canal, but advised them to continue to pay tolls only under protest.

Formal announcement of the U.S. position was made following Britain's decision to resume using the Canal.

Eight Tory M.P.'s Refuse Party 'Whip'

LONDON, Monday (Reuter). — Eight Conservative M.P.'s have refused the Party "Whip" in the Commons as a protest against the Government's "capitulation to Nasser," it was learned tonight.

The eight are Lord Hinchinbrooke, Sir Victor Raikes, and Messrs. Patrick Maitland, Angus Maude, John Biggs-Davison, Laurence Turner, Anthony Fell and Park Williams.

Refusal of the "Whip" means that they will not accept voting discipline.

The eight said they wish to be known as "Independent Conservatives." They added that they would "remain Conservatives, in general support of Conservative policies in relation to home affairs."

In a statement tonight they declared, "Appeasement leads only to disaster."

BOMB THROWERS IN ALEPPO JAILED

A military court in Aleppo, Syria, on Sunday passed sentences of imprisonment on several members of the outlawed Syrian National Party, accused of having thrown explosives in offices of several political parties in February, the Arab News Agency reported yesterday. Several of the 25 accused were acquitted.

Israel Ready to Sign 100-Year Peace Pact

VIENNA, Monday (INA). — The newspaper "Wiener Kurier" today carries an interview with Foreign Minister Golda Meir in which she is quoted as declaring that Israel is ready to sign a 100-year non-aggression pact with all its neighbours and is prepared to pay compensation for abandoned Arab property in Israel if the Arab states cease their blockade.

Cairo Prosecutor Demands Death Sentence for Briton

CAIRO, Monday (Reuter). — The prosecutor today demanded death sentences against James Swinburn, 51-year-old Briton, and also against Alexander Reynolds, being tried in his absence, as well as six Egyptians among the total of 20 accused in the espionage case which involves eight Britons, four of whom are not in the country.

The prosecutor said Swinburn, Cairo manager of the Arab News Agency at the time of his arrest, was embittered against Egypt for having been dismissed from his earlier job (as a school teacher) and "wanted revenge."

"He accepted a demand from the British Embassy to lead a spy ring against Egypt for obtaining secret military, economic and political reports with the help of British Intelligence. He entered a criminal agreement with the other accused whom he contacted separately and arranged payment of monthly fees for their reports," said the prosecutor.

He also disclosed during the course of his opening statement that Gamal Salem, brother of Major Salah Salem, former Minister of National Guidance, had been exiled.

The prosecutor demanded the maximum prison sentence (25 years) for the other accused.

The court was told that Swinburn's confession "is supported by reports written in his handwriting and also by the testimony of others of the accused."

The accused were divided into two separate networks. One consisted of Swinburn, Sayed Amin Mahmoud, Captain Ahmed Amin Mahmoud and Salah Hassan Bedeir. The second group, headed by Samuel Attiya, had as its members Anton Yakoub and Mohammed Ebeid. "They were spying and sending reports to a foreign power," the prosecutor added.

He alleged contacts by James Pittuck, another of the Britons facing the court, with a British Embassy official, and said he was arrested at Swinburn's house.

s.s. Theodor Herzl, Israel's newest liner which left London last Tuesday on its maiden voyage to Haifa, arrived in Marseilles Sunday night. The ship will be put in service on the Haifa-Marseilles run. A reception was held in the ship shortly after she arrived in the French port, among those present being the Israel Ambassador to Paris, Mr. Ya'acov Tsur. French officials attended a shipboard luncheon yesterday. (Express Photo)

USSR Said Leading in Missiles

WASHINGTON, Monday. — Senator Stuart Symington, former Air Secretary, said yesterday that Russia was "well ahead" of the U.S. in developing intermediate range (2,400 kms.) missiles, and that it would be many years before the U.S. had an operation missile that could travel more than 320 kms.

Questioned in a television interview, Mr. Symington said he believed the American public was "very much misinformed" on the nation's missile programme. He said development of the supersonic missile with a range greater than the 320 kms. of Germany's V-2 of World War II would come "considerably later" than the public had been led to believe.

He said that in the race for an intercontinental missile, one with a range of 8,000 kms., Russia and the U.S. were probably "about even." Mr. Symington said that in production of combat aircraft, Russia leads the U.S. in all fields except medium-range jet bombers and all-weather fighters.

Gen. Lauris Norstad, Supreme Allied Commander in Europe, suggested in a television interview yesterday that NATO was prepared, if necessary, to use atomic weapons first if Russia attacked in Europe. The General who was interviewed at his headquarters near Paris, said NATO defence of West Europe was "built around" atomic weapons and it had "delivery capability" of such weapons.

Gen. Maxwell D. Taylor, Army Chief of Staff, said today that the new Nike Hercules missile will be placed in operation to protect American cities "relatively soon."

He also said that the reorganization to atomic weapons will not necessarily mean "a material reduction in army manpower." *(Reuter, UP)*

Public Clamour as 13 Killed in Motor Race

MANTURA, North Italy, Monday (Reuter). — First Italian reaction today to the Mille Miglia (1,600-kms.) motor race disaster in which 13 persons are so far reported dead was a public clamour to ban the "race of 12,000 bends" forever.

The Marquis de Portago, 28-year-old Spanish millionaire driver, his American co-driver, Eddy Nelson, and nine others were killed when Portago's car burst a tyre at 185 miles an hour and drove into a crowd of villagers at Guidizzolo.

Josef Gottgebs, Dutch driver, died in hospital after crashing into a tree on another part of the course, and an Italian policeman on route patrol was killed. Seven persons were killed in the same race last year.

HAILE SELASSIE'S SON DIES IN ACCIDENT

ADDIS ABABA, Monday. — The Duke of Harrar, 33-year-old second son of Emperor Haile Selassie, died last night from injuries sustained in an automobile accident earlier in the day.

Town Wrecked As Levee Bursts

LAMPASAS, Texas, Monday (UP). — A 10-foot wall of water from a broken levee swept through Lampasas last night, destroying an estimated 80 per cent of the town. Many persons were trapped in homes and stores and one person was drowned. Several persons were reported missing.

The flood was a continuation of an unparalleled epidemic of tornadoes, cloudbursts, and floods that began on April 19. A gas main burst and caught fire in the business section of the town. About 100 homes were washed completely away.

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Social & Personal

The President yesterday received the Ethiopian Consul-General, Mr. Marcos Aggaseyellew.

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The Foreign Minister, Mrs. Golda Meir, yesterday received a delegation of Histadrut key-workers in the U.S. and Canada.

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The Minister of Health, Mr. Yisrael Barzilai, yesterday received the Director of the American Joint Distribution Committee in Europe, Mr. Charles Jordan. Also present were the A.J.D.C. Medical Adviser, Dr. W. Schmidt; the Director of Malben in Israel, Mr. S. Pasman, and senior Ministry officials.

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The Minister of Labour, Mr. Mordechai Namir, yesterday received Baroness Elisheva de Rothschild.

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The Chief Rabbi, Dr. Yitzhak Halevi Herzog, yesterday received a delegation of members of the Herut-Revisionist Party from South Africa.

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Members of the Working Party on Mediterranean Pasture and Fodder Development of the U.N. Food and Agricultural Organization — agricultural experts from the U.S., Britain and seven Mediterranean countries — were the guests of the Hebrew University's Botany Department on Sunday. The visitors were received by the University's Vice-President, Professor M. Evenari, himself a botanist, who conducted them around his Department. They displayed particular interest in the research being carried out at the University on pasture grasses, and expressed their appreciation of the progress made in this field.

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The Philadelphia Delegation of State of Israel Bonds was received at the Technion by Rav-Aluf Dori. Yesterday afternoon, they were the guests of Mr. and Mrs. Xiel Federman to cocktails in their Haifa home. In the evening, the Delegation visited the Druse village of Usfiya.

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Mr. and Mrs. Max Hesse entertained a small group of friends yesterday on the occasion of the twentieth anniversary of the opening of their restaurant in Jerusalem.

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Mrs. Helen Bentwich, former Chairman of the London County Council, will speak on "The Comprehensive School in England," on Monday, May 20, at 8.30 p.m. The lecture, held under the auspices of the Education Society, will take place at the Terra Sancta building, in room 32. The lecture will be accompanied by illustrations.

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Dr. A. Basu, Lecturer in Indian Philosophy and Religion at Durham University, England, will speak on "The Nature of Hinduism," the first in a series of five lectures under the auspices of the Hebrew University, at the Ratisbonne Building, today at 8:30 p.m.

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Dr. A. Abramovitch, Director of the Tel Aviv Municipal Health Service and of the Municipal (Hadassah) Hospital is to address today's meeting of the Rishon leZion Rotary Club on "Problems of Public Health."

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MEMORIAL SERVICE

A memorial service for the late Minister of Transport, David Remez, will be held this afternoon, the sixth anniversary of his death, at the Zichron Ya'acov cemetery at 4 p.m.

French Singers Due End of May

TEL AVIV, Monday. — The famous French singing ensemble *"Les Compagnons de la Chanson"* is to arrive at the end of May. Under the patronage of the French Ambassador, M. Pierre Gilbert, and the auspices of the impresarios M. Gilion and K. Ginzburg, the ensemble will appear for three weeks all over the country.

This is the first visit in an exchange of French-Israel artists. *"Les Compagnons de la Chanson"* was founded by Edith Piaf, the singer, and among its repertoire, will sing songs by her and Claude Valery.

Local Builders For Turkish Projects

TEL AVIV, Monday. — Private contractors in this country will join Turkish firms in Turkish public works projects worth $350m., following current negotiations with Mr. Hasik Osman Ziyal and Mr. Zeytunci Ali Nehat, representatives of Turkish contractors.

Following their tour of the "Permanent Exhibition of Building Materials and Equipment" in Beit Hakapian, the visitors contacted various local firms concerning orders for their wares which were exhibited.

Another important visitor to the exhibition has been Fritz Wallenhorst, the West German steel export magnate

LAW REPORT

The Jerusalem Post May 14, 1957

In the Supreme Court Sitting As Court of Civil Appeal

Before the Deputy President (Justice Cheshin), Justices Goitein and Witkon.

Hagoel Co-operative Society, v. Natanya Assessing Officer (C.A. 219/56)

Co-operative Society To Pay Company Tax

The Supreme Court dismissed an appeal against a judgment of the Tel Aviv District Court, delivered on June 28, 1956. (I.T.A. 148/56).

The Hagoel Co-operative Society was formed in 1933 by 29 members of the middle class who intended settling on Jewish National Fund (J.N.F.) land in Emek Hefer. As the members of the co-operative have not settled on the land to this day, the J.N.F. refused to register them individually as long-term lessees of the land — 200 dunams of orange groves and fish-ponds. — the co-operative society was therefore registered as the lessee. It works the land, sells the produce and divides the profits amongst the individual members.

Each member holds a IL1-share in the co-operative, whose activities are financed by loans, given partly by the members and partly by various organizations.

The Natanya Income Tax Assessing Officer maintained that the co-operative carries on a profit-making trade and that it is liable for 25 per cent income tax on its profits and 25 per cent company tax, in accordance with section 30 of the Income Tax Ordinance, 1947. The co-operative, on the other hand, argued that it acts as an agent for the members, that it cultivates the land and markets the produce on their behalf and not on its own behalf. And as to the fact that the lease is registered in its name — that was because of the special circumstances and did not alter the fact that the members have equitable, if not legal, rights to the land and its products.

Tel Aviv District Court Judge Zeltner upheld the decision of the Assessing Officer. In the appeal to the Supreme Court, Mr. Goldberg appeared for the appellants and Dr. Stein, Deputy State Attorney, for the respondent.

Judgment

Justice Witkon, who delivered the judgment of the Supreme Court, Justices Cheshin and Goitein concurring, pointed out that the issue before the court was really limited to the question of whether the co-operative was liable for company tax. As to the income tax, since the co-operative credits the members with what remains of the proceeds from the produce after all expenses have been deducted, if the co-operative itself is not liable for income tax on this sum, then each individual member certainly is. The only argument on this score between the parties is whether the co-operative must pay the income tax, as the respondent maintains, or whether the individual members should pay income tax on this addition to their incomes, as the appellant claims. But, since in any case income tax would be paid by one or the other, this was not an issue.

Regarding company tax, Justice Witkon said that "company" in the income tax ordinance includes a co-operative society, but that such a society is exempted from the taxes paid by a company if it obtains an exemption under section 8(c) of the ordinance or if it is regarded as a partnership in accordance with section 19(c). The appellant, however, had not applied for an exemption, nor had it succeeded in being recognized as a partnership, because its members had not actually settled on the land. The question to be considered, therefore, is what is the legal status of a co-operative of the nature of the present one — is it a legal body whose profits are separate from those of its members? If the answer is in the affirmative, then the appellant is liable for the 25 per cent company tax.

But before considering this particular question, Justice Witkon continued, he would first define the law with regard to an agricultural co-operative society whose members are settled on the land and which markets their produce. In this case, it is usual for the produce to be transferred to the ownership of the society which then markets it in its own name and not as an agent, in the legal sense, for the settlers. After deducting its own expenses from the proceeds, the society puts down the remainder to "profits" in its profit-and-loss accounts, and may divide the balance of this profit amongst its members in the form of a bonus in proportion to the amount of produce contributed by each member, after setting part of it aside in a reserve fund. These bonuses are allowable as trade expenses of the society in computing their annual profits for income tax purposes. This is the law in England and was the principle applied in Israel even before it became law in the 1956 amendment to the Income Tax Ordinance (section 11(l) (j)).

Absentee Owners

If, therefore, Justice Witkon held, the members of a co-operative are settled on the land and use the co-operative merely for the marketing of their produce, then the co-operative would not pay income tax on that part of its profits which is distributed as a bonus amongst the members. This would probably apply even to the case where the members are not actually settlers but are individual registered lessees or owners of land, the cultivation of which is carried on by a co-operative, which also markets the produce. This system of "absentee owners" could hardly be considered consistent with the co-operative conception of agricultural settlement, but the legal requirement — the possibility of differentiating between the "business" of the co-operative and that of the individual members — would be fulfilled.

On the other hand, he continued, a co-operative which cultivates its own land and markets its own produce cannot distribute bonuses to its individual members on the basis of any yard-stick — since the members do not necessarily work the land themselves and receive a wage which could be used as a basis for distributing bonuses, nor do they make any individual contribution to the amount of produce marketed.

In applying the above principles to the case under consideration, Justice Witkon held that the fact that the appellant had previously acted as though it were a company and had only lately started deducting the bonuses paid to its members from its annual profits, was no conclusive proof that it should still be regarded as though it were a company. It is true, he said, that when a business may be carried on in more than one way, great weight must be attached to the system of work adopted by the business and the accounts kept by it in deciding which way had been chosen. In addition, it is also true that if those carrying on the business realize that the way they have chosen would lay them open to liability for income tax whereas the choice of an alternative way would exempt them from tax, then they may not demand to be recognized as using the second, more advantageous, system.

But, in the present case, the appellant had decided to change its system of carrying on business because it thought that the previous system did not reflect the real state of affairs and was not consistent with the commercial principles of co-operative societies. This would have been a perfectly legitimate reason, if the new system adopted by the appellant had in fact reflected the true state of affairs. But in accordance with this new system, the appellant claimed to be merely a selling agent for its members. However, from the facts it is clear that, as the appellant is the registered holder of the land, it, and only it, is the owner of the produce of the land, and cannot be its own selling agent. And even if the members were the owners of the land, then the appellant would still not be their agent, as explained above. As to the fact that the appellant's ownership is an artificial one resulting from the refusal of the J.N.F. to register the individual members as long-term lessees, that is irrelevant insofar as the law is concerned. As the appellant cannot, therefore, claim the relief afforded by section 11(l)(j) and was not recognized as a partnership, it must comply with the law as applied to companies and must pay the 25 per cent tax upon its annual profits.

Appeal dismissed with IL100 costs.

Judgment given on April 29, 1957.

Youth Guides From U.K. on Study Tour

Jerusalem Post Reporter

Israel students mix very well with other Jewish students who throng Hillel House at London University, Mr. Henry Shaw, National Director of the Hillel Foundation in Britain, who is currently visiting Israel, told *The Jerusalem Post* yesterday. They are very useful citizens of the place, he said. They staff seven classes in Modern Hebrew which are held there regularly. Many also take an active part in the work of the University Zionist Federation.

One of the most interesting experiences Mr. Shaw has had on his current visit was to meet at Kiryat Gat, the new town in the Lachish district, a group of men and women students from Britain who had met together and organized their immigration to Israel at Hillel House.

Mr. Henry Shaw is here with a group, led by Mrs. Barnett Janner, of youth leaders from Britain who have been making an intensive study of all aspects of youth work in Israel under the auspices of the Youth and Hehalutz department of the Jewish Agency.

Activities studied have so far included the Scout organization; the Y.M.H.A.; the Lachish district school and youth clubs in that area; Ashkelon, with special reference to its cultural and recreational development; Beersheba youth clubs, the Jewish Agency Institute for Training Youth Leaders from Abroad, WIZO institutions, probation offices and other social welfare institutions.

During the coming week, the delegation will visit the ma'barot at Talpiot and Katamon housing projects, Youth Aliya institutions, especially the vocational training centres at Kfar Vitkin and Ramat Hadassah, and the Arab probation officer at Nazareth.

In between these study visits, the group has taken in many of the main institutions of the country, including Keren Hayesod, Keren Kayemet, Hebrew University, Weizmann Institute and the Technion and has been subject to a barrage of lectures in connection with their work and its ancillary fields.

Other members of the delegation are, Dr. and Mrs. S. Gold, chairman of the Association of Jewish Youth, the largest youth organization in Great Britain; Miss Phyllis Gerson M.B.E., J.P., head of Britain's biggest Jewish girls club; Mr. and Mrs. Robert Gaunt, of the Federation of Jewish Youth Societies, Mr. Charles Spencer, Secretary of the Anglo-Jewish Association, Mr. Monty Richardson, Chief Welfare Officer of the United Synagogue, Mr. and Mrs. David Penney, Executive Board members of the A.J.Y., and Miss Doreen Aizen, Mr. Sidney Bunt, Mr. Cyril Dainow, Mr. Geoffrey Davis, Dr. and Mrs. J. Frishman, Miss Jean Hersh, Miss Eva Levy, Mr. and Mrs. Norman Myers, Miss May Mundy, Mr. Montague Pomm and Mr. Jack Shaw; all leading workers in youth clubs in various parts of London.

CONDOLENCES on the passing of her distinguished husband were cabled to Mrs. James de Rothschild in London by Mr. Meyer W. Weisgal, Chairman of the Executive Council, Weizmann Institute of Science.

France, Hungary Teams Expected

Jerusalem Post Bureau

TEL AVIV, Monday.—Local football fans will be treated to French and Hungarian soccer at the beginning of next month, when "Toulouse" and "Ferencvaros" of Budapest arrive.

Toulouse will be the guests of Petah Tikva Hapoel, and will play three games in the country. The team will reach Israel at the end of this month, it is learned from the Football Association. Toulouse are at present in seventh place in the French National League, but have reached the final of the French Cup.

Ferencvaros will be the guests of Natanya Maccabi and are expected to play two games here, the first against their hosts on June 12. The Budapest team recently beat "Ujpest," the Hungarian team that toured here recently. The famous Dr. Sarosi, said to be one of the greatest centre forwards of all time, used to play for Ferencvaros.

In October, France's B team is expected to play an international match here, it is learned. Further international engagements will be against the winner of the Indonesia versus Mainland China games, the first leg of which took place today. Israel meets the winner of these games in the World Cup, having got a walk-over because Turkey refused to play Israel against F.I.F.A. ruling.

The winner of the encounter with Israel will have to face Egypt, Sudan, Cyprus, or Syria in order to pass into the final pool, to be played off in Stockholm next year.

No dates for Israel's encounters versus Indonesia or China have yet been set, but the games have to take place this year.

Schary Analyses Film Production

REHOVOT, Monday.— Famed Hollywood producer Dore Schary, for many years vice-president in charge of production at M.G.M. studios in Culver City, California, spoke to a large and representative audience on "Films and Public Opinion" under the auspices of Yad Chaim Weizmann in Rehovot during his stay here.

Mr. Schary analyzed some of the factors that go into the making of motion pictures and the impact of public opinion upon "trends." A lively discussion between the speaker and the audience lasted over one hour.

Dore Schary was introduced by Mr. Meyer W. Weisgal, Chairman of Yad Chaim Weizmann.

Mr. and Mrs. Schary, their daughter and son left Israel yesterday after a twelve-day visit.

REGISTRATION for the Shimshon summer camp in Bat Yam has been inaugurated with a party attended by over 120 children. Founder and Director of the camp, Raphael Halperin, told of his recent visit to Ethiopia, where he is soon to return to serve as advisor on physical culture to Emperor Haile Selassie and the Royal family.

Hapoel Downs U.S. All-Stars, 6-4

NEW YORK, Monday (UP). — Israel Hapoel yesterday defeated the American Soccer League All-Stars 6-4 in a game which was part of the "Salute to Israel" programme at Ebbets Field. Forty thousand persons attended.

The game was featured by a kick-off by Marilyn Monroe who put her foot into the world of sports and went out limping. Flanked by a troop of boy scouts, Miss Monroe, wearing spike heels, kicked out twice for the photographers and once for the players. Then she limped off on the arm of Judge Samuel Liebowitz, her official escort.

After gaining a five-goal lead in the first half, the Israelis faltered but managed to hold out against a series of intensive American attacks. Goal scorers for Hapoel were Nahari (2), Peled (2), Cafri, and Ilan.

The match opened a three-game visit by the Israelis and was preceded by festivities featuring top city and national officials, and the appearance of well-known entertainers. Principal speakers were the Israel Ambassador, Mr. Abba Eban, Mayor Wagner of New York, and Senators Irving Ives, Jacob K. Javits, and John A. Carroll.

THE ISRAEL Hydroponics Association has been set up to promote soil-less cultivation in this country.

At the Cinema

IN "Quatre Pas dans les Nuages" (Armon, Haifa), Fernandel makes a half comeback to what he was in his prime. An act of altruism done to a girl expecting an illegitimate child redounds to his own good by transporting him, for a few days, far from a henpecked married life (the religious touch, never distant from Fernandel at his best, is clear). Yet the attractiveness of the film lies in the direction of Mario Soldati who pushes his background to the fore. That glorious bus ride, delayed because the driver is awaiting news of his wife's accouchement, overflows with humanity; the railway scene catches the same note; and both the rocking train and the swaying bus put one in a joyful mood.

For acting, marks to Tina Pica (the maid of "Bread, Love and Fantasy") who creates a living portrait of the naively sly, equally human aunt. She is not made to be more than she is and just fades out at the end. Fernandel himself seems to have become stereotyped beyond remedy but "4 Pas dans les Nuages" is a warmhearted, kindly, well polished film.

Baby Bosh

A brawl in a Naples cafe leads to a baby becoming a stowaway on a British warship engaged on NATO manoeuvres in the Mediterranean. What more blatant sentimentality can you find than this theme of "The Baby and the Battleship" (Orah, Haifa)?

The lower deck runs to fictional convention; the officers are not much better and their contact with realism never skims more than the surface; the distinguished foreign visitors and the Italians could have stepped from any book of memoirs. The picture is "as we like to imagine ourselves."

Once again you are confronted with impossible farce that can raise laughs through absurdly ridiculous situations.

H.

Cinemas

JERUSALEM

At 1.30, 7 and 9 p.m.

ARNON: Tap Roots.
EDEN: I'll Cry Tomorrow.
OGEN: Holiday in Sicily ("Vacanze d'Amore,")
ORION: "Le Couturier de ces Dames." 2nd week. Also today
ORNA: The Girl Can't Help It.
RON: Gervaise. At 1.30; To Hell and Back. Also today at 10.30 a.m.
SEMADAR: Closed for renovation.
ZION HALL: War and Peace, 4 and 8 p.m.
TEL OR: Chicago Syndicate.
EDISON: The Barber of Seville.
STUDIO: The Bad Seed.

TEL AVIV

At 4, 7.30 and 9.30 p.m.

ALLENBY: The King and I.
ARMON DAVID: The Night my number came up.
CHEN: The Lavender Hill Mob.
EDEN: Shree 420. (3, 6.15, 9.15.)
ESTHER: Ransom.
MIGDALOR: "La Bella Mugnaia."
MOGRABI: The Ambassador's Daughter.
ORION: Attack.
DAN: Gabi. Continuous matinees from 10 a.m.: Green Fire.
OPHIR: War and Peace.
SHDEROT: "La Lumiere d'en Face." Matinees: Hansel and Gretel.
TAMAR: "Sous ner le Strade." Also continuous matinees from 10 a.m.
TCHELET: "Le Salaire du Peche." Matinees: Public Enemy No.1.
YARON: Serenade.
ZAFON: Madame Butterfly.
ZAMIR: The Child and the Mist.

HAIFA

TCHELET: "Les Hommes en Blanc." Matinees: Brigand.
GAL OR: Flight Nurse. Matinees: The Big Lift.
ARMON: "4 Pas dans les Nuages."
EN DOR: "La Ritala."
ORLY: "Les Grandes Manoeuvres."
ORAH: The Baby and the Battleship.
AMPHITHEATRE: Anastasia.
MORIAH: Valley of the Kings.
ORION: Port Afrique.
ATZMON: Rhowani Junction.
PEER: 20,000 Leagues Under the Sea.
MAY: Anchors Aweigh.

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Yesterday's Press

Ata Strike Under Fire

As the Ata Textile strike enters its third day, **Hatzofe** (World Mizrahi) writes that Mr. Moller sees himself in the forefront of the fight to change labour conditions in this country. Ata's Managing Director has displayed no flexibility in negotiations, depending, it seems, on the assumption that want will ultimately force the workers to give in. He forgets that the resolve to strike has come after careful consideration and that now that it has broken out, it enjoys the support of most of the country's workers.

Kol Ha'am (Communist) stresses that the Ata workers' struggle is the fight of all labour, whose duty it is to give a resounding reply to this bourgeois attack. A suitable climate must be created in which employers will not dare to attack workers or try to lower their standard of living.

The strikers, according to **Lamerhav** (Ahdut Ha'avoda), have simply picked up the gauntlet tossed by an aggressive fellow who desires to show his fellow employers "how to handle" workers. It goes without saying that he has no prospects of success, for the workers will not let him break them; but the stability of the enterprise will not escape injury and the country's economy will suffer great damage.

Al Hamishmar (Mapam) notes that although two coalition parties objected to a joint Israel-American statement on the Richards visit, the majority in the Government ignored their objection. However, the statement was worded so that there would be no mention of anti-Communism or of adherence to the Doctrine. Now we are appraised of the fact that such a formula does not suit Washington, and this gives Israel an opportunity to retreat from its willingness to issue any declaration, which is not only needless but also undesirable in the face of Israel's concern for the millions of Jews in the Soviet bloc countries. We feel sure that our friendship with America will not be impaired.

Results of Talks

After the exchange of smiles and expressions of affability, writes **Herut**, perhaps the Prime Minister and the Foreign Minister can inform us what it is we gained from their cordial reception of Mr. Hammarskjold. Did they obtain his support for free navigation in the Canal and Eilat? Did he promise to help terminate Arab aggressiveness? The public would like to know whether the talks resulted in anything beyond the non-committal joint statement issued at the end of the Secretary-General's visit. Only he stood to gain from the trip: it helped him to retrieve his tottering prestige and he can now return to the U.N., announce that he has regained Israel's goodwill, and feel free to do us damage again.

The impending Syrian Security Council complaint about the Hula bridge impels **Haboker** (General Zionist) to note that once again Israel diplomacy has been found wanting and the Arabs are allowed to call the tune. Had we consistently made it a point to expose Arab threats and belligerent utterances and brought them up before the bar of public opinion, the world would, grasping the background, be prepared for an Israel reaction. But instead of lively diplomatic activity we have lethargy, as though Israel's statesmen were resting on the laurels of their army's Sinai successes which, incidentally, we were obliged to give up precisely because of this diplomatic do-nothingness. Our failure to appreciate the importance of international opinion is fully evident even today, despite the fact that at least one Power is backing us in our fight against the pan-Islamic threat.

Meir Receives U.S. Delegation

TEL AVIV, Monday. — The 22-man delegation of the U.S. Histadrut Campaign was received today by Mrs. Golda Meir, Foreign Minister, in Jerusalem. Since they arrived a day before Independence Day, the delegates have been on a widespread tour of the country. The visitors were received by the President and Mrs. Ben-Zvi on Sunday. They also met the Minister of Labour, Mr. M. Namir, and discussed problems of employment and immigrant housing.

In their itinerary were talks with Jewish Agency leaders and the Jerusalem Labour Council. Yesterday, they met the Mayor of Jerusalem, Mr. G. Agron.

The delegation is to visit Haifa and will meet Mayor Abba Khoushy and the Haifa Labour Council, and will end their visit to the country with a two-day tour of Galilee.

They have been accompanied by Mr. I. Hamlin, Director of the U.S. Department of the Histadrut.

Notices to the Public

Attention: Visitors from Abroad

The Committee for Traditional and Cultural Relations between Israel and the Diaspora and the Sura Institute hereby announce that the party for Pesach Sheni will be held today, May 14, 1957, at the President Hotel, Jerusalem, at 8 p.m.

Kindly register at the hotel's office.

Drawing of 1950 Prize Bearing Milveh Amami, Series B

The 16th drawing of the above loan will take place at the Bank of Israel Hall, 68 Derekh Ha'atsmaut, Haifa, today, May 14, 1957, at 10 a.m. The public is invited. Admission is free.

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Drawing of 1950 Prize Bearing Milveh Amami, Series B

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YAD CHAIM WEIZMANN
in collaboration with the
Israel-Japan Friendship Society
will show
under the distinguished patronage of the Japanese Minister to Israel
Mr. Kuniyoshi Negishi
the Japanese coloured feature film
The Mask and Destiny
Tomorrow, May 15, at 8.30 p.m. in the Wix Auditorium, Weizmann Institute of Science, Rehovot.
All interested are cordially invited.

WIZO Branch Natanya
Tuesday, May 14, at 8.30 p.m. at the Beit Hahalutzot
Reception by the newly elected executive
of the Wizo Natanya Group, for members and new immigrants.
Guests of honour:
MRS. REBECCA D. SIEFF, President of World Wizo, DR. REGINA ZIMMERMAN, Chairman of Israel Wizo's Organization and Cultural Department, and MRS. CAROLA HECHT of the Swiss Wizo Executive.
Artistic programme: ILKA and AVIVA.

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ON THE AIR

FIRST PROGRAMME
322, 249, 33.3 & 43.9 M.

News; Hebrew: 6.35, 7.00 a.m. 1.30, 5.00, 7.00, 9.00, 11.00 p.m. **English News:** 1.45 p.m. **French:** 2.00 p.m. **Arabic Programme** (including News): 7.30 a.m., 2.15, 6.00 and 11.15 p.m.

6.30 a.m. Service. 6.37 Exercises. 6.47 Musical Clock (R). 8.30 Close Down.

12.00 Music at Noon. 12.40 Vocal Recital by Zafrira Yarkoni (Soprano). Songs by Brahms & Beethoven. 1.00 Lunchtime Music — Trio Sandora. 3.30 Close Down.

5.06 Light Music. 5.10 Tora Lesson by Dr. N. Leibowitz. 5.30 Youth Corner. 7.15 We Present Tonight. 7.18 "Ros. Ami." 7.35 Hebrew Language Corner. 7.50 "Musical Appreciations" by Dr. Herzl Shmueli. 8.15 Noah's Ark. 9.15 Concert by the Kol Yisrael Orchestra. Conductor: Heinz Freudenthal. Soloist: Meir Harnik (Piano): Mozart: Ballet Music "Idomeneo"; Shlomo Yaffe: Symphony No. 2 (First Performance); Grieg: Piano Concerto in A-minor, op. 16. 10.45 "The Week at U.N.". 11.05 Bible Reading: Yeshayahu, Chap. 43. 11.20 Close Down.

SECOND PROGRAMME
491, 469, 223, 43.9 & 33.3 M.

French News: 9.45 p.m. **English News:** 10.00 p.m.

IMMIGRANTS' HOUR: 6.00 Light Music. 7.00 Hebrew-Yiddish Lesson. 7.15 News in Easy Hebrew. 7.30 Yiddish. 8.00 Hungarian. 8.15 Rumanian. 8.30 Ladino. 9.00 Interval. 9.15 Mograbi. 9.30 French. 10.15 Close Down.

KOL ZION LAGOLA (32.3 M.): **Programme to South Africa.** 6.00 News Headlines. 6.01 Yiddish News. 6.06 Bracha Tsefira. 6.15 "South Africans in Israel." 6.30 News.

Programme to U.K.: 12.00 News. 12.15 Bracha Tsefira. 12.30 Easy Hebrew Conversation. 12.45 "Between Man & God."

ARMY PROGRAMME (44.6, 215, 225 & 228 M.): 6.30 Opening. 6.35 Songs. 7.00 News. 7.10 "How & Arrow." 7.40 Excerpts from Musical Shows. 8.00 "The Soldier as a Civilian." 8.15 "Noah's Ark." 8.55 Interlude. 9.00 News. 9.15 "I have a query." 9.45 Dance Music. 10.30 Close Down.

B.B.C. HEBREW BROADCASTS (16.79, 19.42, 16.96 and 31.15 M.): 7.30-8.00 p.m. News. News Talk. "Arts Chronicle."

EMERGENCY PHARMACIES

JERUSALEM: Abramovitch, 21 King George, 4972.
PETAH TIKVA: Fishbein, 6 Hafetz Haim.
HAIFA: Palas, 31 Joseph, 4014. Zvulon.

EMERGENCY PHYSICIANS

JERUSALEM: Dr. Romanov, 11 Arlosoroff, 61217. Dr. Grunwald, 22 Yehoshua Bin-Nun, 62962. Dr. Schor, 45 Rashi.
HAIFA: Dr. Sherman, 2 Hanevi'im, 3424.

Where to go

JERUSALEM

• **Exhibitions:—**

Permanent exhibition at the Department of Antiquities, 25 Rehov Shlomo Hamelekh. New rooms: Prehistory and Israelite period. Educational exhibit: How to arrange small local collections. Special exhibits. New finds from tombs excavated in Jerusalem and from Tel Mahlaha, 9-1, 3-5.

Conquest of the Desert, Permanent Exhibition. Daily from 10-1, 4-6. On Friday from 10-1 only. Closed on Saturday.

1) Selected Acquisitions 1948-1956. 2) Narkiss Memorial Exhibition. 3) Book Design in Israel, Bezalel, 9-1, 3-6.

1) Illustrations to books and legends by Zeev Raban. 2) Oil paintings and sketches by Jacob Eisenberg. 3) Oil paintings and sketches by Ernst Fuchs. 4) Applied Arts and Crafts. Artists House, 10-1, 4-7.

Exhibition of oil paintings by Glika Milbauer and chosen works by Israel artists. Nora Gallery, 9 Maimon Ave., 10-1, 3-6.

• **Film Shows:—**

Israeli Films, daily Keren Hayesod Hall, 11.30 a.m.

• **Tours:—**

Hebrew University Conducted Tour, 10 a.m. Administration Bldg., New University Campus. (Conducted tours in Hebrew Sundays and Thursdays, 11 a.m.)

TEL AVIV

Italian Specialities Lunch, Dinner, Soupe a l'oignon. Luky's Bar, 3 Allenby Rd., Tel. 23752.

For a Chinese lunch and dinner only Riksa, 2 Rehov Trumpeldor.

• **Exhibitions:—**

1) Oil Paintings and Gouaches by Menahem Abramovitz. 2) Sculptures by Kosa Eliul (1951-1957). Museum, 10-1, 4-7.

• **Music Appreciation and Academic Groups:—**

Z.O.A. House at 8.15 p.m.

• **Theatre:—**

Habimah, "Anna Frank," 8.30. Cameri, "No Time for Sergeants," Mograbi, 8.30, "Yerma," New Hall, 8.30.

HADERA

• **Theatre:—**

Habimah, "Anna Christie," 8.30.

MIGDAL ASHKELON

• **Theatre:—**

Dvigan & Schumacher, 8.45.

The sensation of Haifa
"Continental"
the well-known artistic group with 12 foreign artists. Now appearing nightly; after tremendous success in 33 countries, for a brief period, as guest artists at:
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Suave
For Well-Groomed Hair
leaves no stains on hat or pillow
Helene Curtis

The Weather

FORECAST: Fair.

	A	B	C	D
Mt. Cana'an	67	12	28	24
Tiberias	62	16	30	26
Haifa Port	70	16	28	24
Natanya	66	15	34	24
Tel Aviv Kirya	63	14	34	26
Tel Aviv Port	76	15	31	28
Lydda Airport	65	11	37	26
Jerusalem	35	14	34	26
Beersheba	37	11	30	31
Eilat	28	18	30	31

A) Humidity at 6 p.m. B) Minimum temp. C) Maximum yesterday. D) Maximum temp. expected today.

ARRIVALS

The Italian Ambassador, Benedetto Capomazza, Marchese di Campolattaro, from a month's visit to Rome for consultations (by L.A.I.).

Mr. Shlomo Eisenberg, Secretary of the Jewish Agency, from France and Germany.

Prof. J. Penn, noted Johannesburg plastic surgeon, for a few days' visit (by El Al).

Mr. K. C. Thaler, U. P. Political Correspondent in London, for a visit as guest of the Government (by El Al).

Dr. I. Margalit, Deputy Director of Youth Aliya, from the London conference of the International Federation of Youth Communities.

DEPARTURES

Rabbi Zalman Reichman, member of the Presidium of the Union of Rabbis of the U.S. and Canada (Agudat Harabbanim) and UJA worker, for Vienna after a week's visit (by El Al).

Mr. Gad Ben-Ari, of the Ministry of Transport, for the conference of international radar opening in Geneva on Thursday (by El Al).

Mr. M. Caspi, advocate, for Switzerland on a private visit (by El Al).

The Chairman of the Local Council of Eilat and Mrs. Nenner left via El Al for the United States on a speaking mission on behalf of State of Israel Bonds.

HOLON IS to absorb 2,000 immigrant families during the current fiscal year, Mayor P. Eilon told the Holon Municipal Council on Sunday night.

• • •

THE JEWISH AGENCY Executive, at its weekly meeting, yesterday discussed motions for the agenda of the Zionist General Council, scheduled to convene in Jerusalem on July 10.

• • •

TWO NEW AIRLETTER forms with a face value of 150 and 250 pruta will be put on sale next Monday at all post offices and branches.

• • •

OVER 3,000 people paid their respects at the grave of Dr. Chaim Weizmann at Rehovot on Israel's Independence Day. This is an all-time record.

• • •

M. JEAN PERROT, the archaeologist, and his assistant, Gilbert, are advised to present themselves immediately at the nearest Ministry of Health dispensary to receive treatment for rabies.

• • •

A COLOUR documentary film about Sdom is to be made by Mme. Nicole Stephane, film director, who is a member of the Rothschild family. She arrived by El Al last night from Paris together with a camera crew. The script is by the local poet, Haim Hefer.

BURG ARRIVING IN HOLLAND TODAY

THE HAGUE, Monday (UP). — The Israel Minister of Posts, Dr. Yosef Burg, will arrive tomorrow for a three-day business visit.

During his stay here, part of a European tour, Dr. Burg will hold discussions with the Traffic and Waterways Minister Mr. J. Algera. He will also visit several Jewish institutions and address the Union of Dutch Zionists.

15,000 TO HONOUR MEIR BA'AL HANESS

TIBERIAS, Monday. — Some 15,000 persons are expected here tomorrow for the annual Rabbi Meir Ba'al Haness festivities. Several thousand, mostly of Oriental communities, have already arrived, the majority from Jerusalem and B'nei Brak.

The traditional procession of the Scroll of the Law to the tomb and the lighting of bonfires above it will take place in the afternoon and evening. Most of the visitors intend to stay over for the Lag Ba'Omer festivities at Meron on Saturday night. The police report they have taken measures to ensure order.

CHILD BURNED

ACRE, Monday. — Eighteen-month-old Avraham Gavri was seriously burned this morning when a spirit stove overturned in the bathroom of his home in the Amidar quarter. His mother took him to the Rambam Hospital in Haifa where his condition was reported late at night to be critical.

Hectic Police Search for Girl Hindered by Diversions

By H. BEN ADI, Jerusalem Post Reporter

BEERSHEBA, Monday. — Yaffa Meiri, the seven-year-old daughter of a Municipal employee, was still missing at a late hour tonight. She left her home on Saturday night and has not been seen since.

This afternoon, this reporter took off in a police Piper Cub piloted by First Inspector David Ben-Yitzhak to join in the search for the lost girl. We circled for fully an hour at altitudes of 10 to 40 metres over the heads of the hundreds of policemen and civilians advancing in a long thin line on the plains east of the town, looking for Yaffa.

Only from the air is it possible to make out the innumerable abandoned cisterns that dot the area. Whenever a new hole was spotted, the information was relayed to the searchers on the ground.

Six Hours Aloft

The pilot, who spent some six hours aflight that tiny plane yesterday, was accompanied by Police Sergeant Yitzhak Yahav. Both men kept their eyes glued to the terrain below.

At the same time, an army plane was performing a similar service for the several hundred soldiers, policemen and civilians combing the area west of Beersheba. A number of Beduin, on camel and horseback, also volunteered in the search.

After dark, Very lights and searchlights were used in the search.

Some 200 police reinforcements are expected tomorrow from Jerusalem to aid in the search.

Perhaps the most heart-breaking sight is that of Yaffa's 12-year-old brother, Mordechai, who spent the first 24 hours of the search on his feet, refusing food and sleep. It was only yesterday that he was prevailed upon to lie down for a few hours, and today he was again out and looking.

The effort and strain of the police search were not eased by further trials and tribulations for the local force. On Friday, a settler in Moshav Omer was shot in the leg by a man whom he had struck on the head in a quarrel.

On Saturday, with every man available mobilized to comb the surrounding countryside for Yaffa, a call came to the police station from Azata, where a riot had broken out and scores of people were avidly engaged in wrecking the local co-operative store. Police were diverted from the search to restore some semblance of order.

On the same day, a man died in an accident at the Beersheba railway station, and again men had to be called away from the search to carry out an investigation. After 36 hours on their feet, policemen only restrained their tempers with difficulty when a group of citizens came to seek their aid in resolving a family quarrel.

Saturday too a fatal accident meant more work for the busy Beersheba Police, and again deferred the break which all members of the force here had been eagerly anticipating. A 16-year-old girl, Miriam Ya'acobi, had been killed by a hit-and-run driver. Within a few minutes, check-points were set up on all roads out of the Beersheba area and every vehicle which passed was scrutinized for traces of blood. Within an hour, the police had found some vehicles which they suspected might have been involved in the crime. This meant again police that had to be diverted from the search for the missing child, to send samples of the bloodstains to a laboratory for investigation and to identify the body of the girl.

A suspect was arrested late tonight in Tel Aviv.

On Saturday night, the police, who had been sent to Azata, returned after having been assaulted by angry crowds; the populace had even resorted to slashing the tires of their van. On the same evening a mule was stolen from Hatserim and trouble in Moshav Mivtahim had to be looked into.

Meanwhile, a man who had informed the police that he had found a wallet and wished to hand it over to the police, fumed indignantly when the police refused to provide him with transport to the police station.

Order in Synagogue Dispute Refused

Jerusalem Post Reporter

TEL AVIV, Monday. — The District Court today rejected a request for a temporary injunction to appoint a receiver to manage the affairs of the Great Synagogue here.

The application was submitted by Mr. Shmuel Or, member of the Board of the synagogue.

Judge Y. Lamm stated that the order was liable to damage the good name of the synagogue and was not in the public interest. Two years ago it was agreed that the Chief Rabbi would arbitrate in disputes between worshippers of the synagogue, the judge declared. The Chief Rabbi submitted his conclusions after hearing both sides, yet "peace has not been restored" in the synagogue, he added.

A meeting, held on March 31, appointed a control committee to study the financial affairs of the synagogue. Another general meeting has been called for this Thursday, it was said.

"According to statements attached to the application, I learnt that there is no suspicion that the synagogue authorities have used its property for unauthorized purposes," Judge Lamm stated. "The only claim there could be was that a danger existed that a synagogue board might be elected which did not have the confidence of the members," he added.

Jerusalem Warning On Nuisances

The Jerusalem Municipality yesterday warned that persons hanging laundry from their window, balcony or any other place facing the street are liable to a maximum fine of IL100 under the Municipal by-laws (Prevention of Public Nuisances).

A similar fine also applies to offenders against the by-law forbidding the bringing of dogs into cafes, restaurants or other places of public amusement.

REPRESENTATIVES OF workers in Histadrut-owned industries are to meet next week for the first time, to discuss labour-management relations, work conditions and inter-union contacts.

IL15m. Histadrut Fund for Jobs

TEL AVIV, Monday. — Of the IL15 million concentrated in the Histadrut employment fund, 30 per cent would be allocated to farming and development areas this year, Mr. Berl Repetur, employment Fund Head, told a Histadrut Central Committee meeting Saturday.

The projected mobilization of IL8m. from workers' insurance funds would be completed soon. Over 2,000 industrial workers had been saved from unemployment due to the "injection" of IL1.5m. into the economy since January. Likewise the fund had created over 100,000 work days in building and public construction works.

2,200 MORE OUT OF WORK

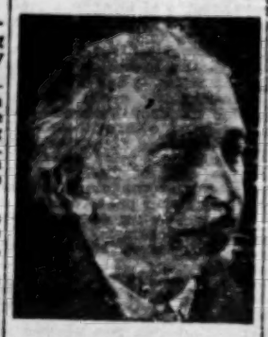
The average daily number of unemployed in the week ending May 3, rose by 2,200 to stand at 14,750, according to the Ministry of Labour.

The main centres of unemployment were: Haifa, 1,983; Tel Aviv, 1,526; Jerusalem, 915; Petah Tikva, 890; Ramat Gan, 844; Rishon leZion, 498; Hadera, 482; B'nei Brak, 469, and Rehovot, 429.

BORDER POLICE WANT RIBBON FOR ALL

RAMLE, Monday. — The Border Police force has refused to accept the Sinai ribbon as long as it is not awarded to their "interior" colleagues, Itim reported today. The Ministry of Defence has authorized award of the ribbon to all Border Police units which had seen action against *fedayeen* and in the Gaza area, but, on orders of police headquarters, the ribbon is not being worn.

Michael Fekete Dies, Aged 70



The death occurred in Jerusalem yesterday of Professor Michael Fekete, a veteran member of the academic staff of the Hebrew University and a mathematician of international repute. Professor Fekete, died of a heart attack while working at his desk at his home in Rehavia.

The funeral will take place today. The cortege will leave from the late Professor Fekete's home, 33 Rehov Rambam, at 12 noon.

Born in Hungary in 1886, Professor Fekete received his doctorate at the University of Budapest, at which he was later to serve with distinction on the teaching staff. Choosing mathematics as his field of study, he soon became associated with the now famous Hungarian school of mathematics, and was much influenced by L. Fejer, who at the beginning of the century obtained remarkable results in the theory of the Fourier series.

His own researches covered a wide range of problems, and soon earned him renown in mathematical circles. This was especially the case with what he justly considered his greatest achievement, the discovery of the Transfinite Diameter, which became a starting point for extensive studies by mathematicians all over the world. It was for this work that he was awarded the Israel Prize for Exact Sciences on Independence Day in 1955.

Joined University in 1928

In 1928 Professor Fekete was invited by the Hebrew University to occupy the Chair of Mathematics in its newly established Institute of Mathematics. Preferring this post to others which were offered him, both in Europe and in the U.S., he came to Jerusalem, and helped to lay the foundations of advanced mathematical training and research in this country. He was a gifted teacher, and his influence over Israel's young mathematicians was considerable. The progress of his students was of major concern to him, and his interest in their work continued even after his retirement in 1955.

Although his main interest lay in mathematical research, Professor Fekete took an active part in the development of the Mathematics Institute and of the University as a whole. He served at different times as Chairman of the Institute, as Dean of the Faculty of Science, and as Rector, holding the last-named office during that fateful period when the University was cut off from Mount Scopus and a new era had dawned for it.

Tributes from Abroad

Professor Fekete's 70th birthday last year was observed not only by the Hebrew University, which took the occasion to pay tribute to him as a scientist who had shed lustre on itself, but also by mathematicians abroad. In the Mathematics Department of Stanford University, California, where he had spent some time that year as a Consulting Member, friends and colleagues of his presented him with a birthday scroll signed by such prominent figures as the Nobel Prize Winner Felix Bloch, Stefan Bergman, Charles Loewner and Gabor Szegoe. The scroll referred to Professor Fekete as a mathematician who had "exercised a wide influence in the mathematical world," and whose numerous papers and lectures had "inspired your friends and pupils."

Professor Fekete is survived by his widow and two sons.

French Chief Rabbi Among Appeal Mission

TEL AVIV, Monday. — A delegation of 38 leaders of the United Israel Appeal in France arrived last night by El Al for a 10-day visit. Among them are the Chief Rabbi of France, and Mrs. Ya'acov Kaplan, Prof. V. Jankelevitch of the Sorbonne, M. Claude Kelman, Deputy Chairman of the French Appeal, M. Jules Jefroykin, Chairman of the Jewish Community in Paris and his wife, M. Andre Goldt, Deputy Chairman of the Alliance Israelite, and noted persons in French industry and finance.

They were met at the Lydda Airport by representatives of the Foreign Ministry, the Knesset, and the Ministry for Religious Affairs.

Today, the delegation visited the Weizmann Institute of Science and laid a wreath at the grave of Chaim Weizmann.

The visitors also inspected the Wizo Anna Jaffe vocational centre at Nahlat Yitzhak, a project of French Wizo. The visitors were welcomed by M. Jean Fernand-Laurent, Counsellor at the French Embassy, and by members of the World Wizo Executive.

Polish Scientist Visits Rehovot

Professor Zygmunt Albert, Director of the Department of Pathological Anatomy at Wroclaw (Breslau) University in Poland, has arrived in Israel and is staying at the Weizmann Institute of Science as the guest of the Experimental Biology Department headed by Professor Isaac Berenblum.

Prof. Albert (who is non-Jewish) came especially to Israel in order to acquaint himself with the progress made in research on cancer now being carried out at the Weizmann Institute.

He will visit Italy and Austria, in order to inspect the work at scientific institutions there, before returning to his post in Poland.

Hapoel Cuts Capital's Game Against French

Members of Hapoel will not take part in Thursday's football match between a Jerusalem XI and the French Army.

The representatives of Jerusalem Hapoel, Mr. Arieh Hirsch and Mr. Uri Zamari told a press conference yesterday that this was "because of what happened last Saturday."

At last Saturday's match on the Y.M.C.A. ground, when the Hapoel team from Hadera met Jerusalem Betar, the game had to be called off when spectators burst the barriers eight minutes before the match was due to end and when the score was 3-1 in Hapoel's favour. Hapoel thinks that the disorder was caused by Betar players and spectators who wanted to prevent Hapoel rising to the top of League A.

TEL AVIV BOXERS FOR LONDON TOMORROW

TEL AVIV, Monday. — A Tel Aviv boxing team will fly to Britain on Wednesday to meet a team from London.

Fourteen pugilists will make the trip, most of them from Hapoel because Maccabi claimed its boxers were not in condition to face the British amateurs. Tel Aviv attempted at a late date to postpone the match, but the Israel Embassy in London urged them to keep to the schedule.

SUEZ, FILAT PASSAGE RAISED IN NAPLES

TEL AVIV, Monday.—Egypt's violation of free passage through the Suez Canal and her threats against shipping in the Tiran Straits and Eilat Bay were raised at the International Congress of Chambers of Commerce in Naples last week, by Mr. Baruch Rosen, of the Tel Aviv-Yaffo Chamber of Commerce. Some 2,000 delegates attended the congress from 88 countries including Israel. Mr. Rosen, just returned, stated that he had held talks with delegates from various countries.

Koor Disputes Scrap Export

Jerusalem Post Reporter

The Directors of Hevrat Ovdim are to meet representatives of the Ministry of Commerce and Industry at the earliest opportunity to straighten out the dispute between the Ministry and the Koor Corporation, a Hevrat Ovdim subsidiary, over the recent export of 2,000 tons of scrap iron. The shipment was the first instalment of a 10,000 ton consignment.

According to an agreement between the Ministry and Koor, the latter was to have priority on all scrap iron for its Acre steel rolling mill. Last week, when the scrap was about to be loaded aboard a ship in the Kishon harbour, Koor claimed that the Ministry had violated the agreement.

A spokesman for the firm further charged that the scrap in question had been described to the company as totalling only 2,000 tons.

This was denied yesterday by Ministry sources.

Foot and Mouth Disease Recurs

Foot and mouth disease has made its appearance among the cattle of Beit Alpha, the Ministry of Agriculture announced yesterday.

Cattle breeders throughout the country, and in the Jezreel Valley in particular, are warned to take all precautions to prevent the infection from spreading to their own herds. Information on what measures may be taken can be obtained from the local representative of the Veterinary Services.

Von Stroheim, Film Actor, Dead

PARIS, Monday (Reuter). — Erich von Stroheim, internationally noted screen actor who made a name in both Hollywood and European films, died yesterday in northern France, it was announced today.

4-1 Davis Cup Win For Sweden

VIENNA, Monday (Reuter). —Sweden yesterday completed a 4-1 win over Austria in the finals of their second round European Zone Davis Cup match here. Austria won one of the remaining two singles.

TROOPS SEIZE GREEK FLAGS IN CYPRUS

NICOSIA, Monday (Reuter). —British troops seized Greek flags during a demonstration by Cypriots at Palenhor in south-west Cyprus yesterday. The demonstration followed a special memorial service in Chunen village for K. Demetriou, who was hanged last year. Cypriots shouted "Long Live EOKA" during the service.

Witnesses Clash on Phone Call Over Curfew Orders

By MACABEE KASKIN, Jerusalem Post Reporter

The conflicting testimonies on the 4 p.m. telephone conversation between Sgan-Aluf Zalman Mart, Military Governor of the Kafr Kasim area, and Alluf-Mishne Issachar Shadmi, who commanded the troops in the area, served as the focal point of yesterday's testimony before the Military Tribunal in Jerusalem.

(In his testimony, A/M Shadmi had stated that he had only informed S/A Mart of the 5 p.m. curfew in a terse sentence. S/A Mart claimed, however, that he had been told that provision had been made for returning villagers and that the curfew would not be imposed stringently before 7-8 p.m.)

Mr. Yitzhak Orren, counsel for Segen Gavriel Dehan, one of the 11 accused, opened his cross-examination by charging that S/A Mart had been relegated into the position of an adviser without the power of independent decision the moment the war broke out. He had not been kept fully informed of what was happening in the area. This, among other things, proved the measure of non-coordination between the various armed branches that evening.

Attacks Phoned Orders

Attacking the 4 p.m. telephone conversation, Mr. Orren said that if A/M Shadmi's version of the telephone call was accepted, then S/A Mart had been guilty of dereliction of duty, for he had done nothing to clarify the finer points of the curfew.

S/A Mart denied the charges, saying he had even informed his representatives at 5 p.m. of A/M Shadmi's orders.

In reply to A/M Benyamin Halevi, presiding judge, the witness said that he had received a directive regarding the returning villagers at 9 a.m. that morning from a senior field officer (not A/M Shadmi), had passed it on to his representatives at noon; A/M Shadmi had repeated this directive at 4 p.m., and he in turn had passed it on again to his representatives at 5 p.m. At 7 p.m., when visiting Rav-Seren Shmuel Malinki, the No. 1 accused, he was told that Malinki had received contradictory orders. At 9 o'clock he had informed the deputy of this senior field officer of this conflict of orders.

Not Investigated Orders

Earlier Mr. Orren had charged that the witness had not investigated these conflicting orders "because you feared severe personal repercussions. For you have not told the truth about the 4 p.m. call."

S/A Mart: This charge is without foundation.

Mr. Orren: It has not only a foundation, but walls and a roof.

Segen Moshe Shweig, defending five men, produced a list of the Kafr Kasim dead, drawn up by S/A Mart immediately after the tragedy. He showed that it did not tally with the charge sheet produced in the court.

In reply to another question, S/A Mart said that he had published the curfew order on October 31, two days after it was imposed, since he had been busy restoring order to Kafr Kasim.

The trial continues this morning.

Trial of Espionage Suspect Today

A young Jerusalemite, Yitzhak Ya'acov Weiss, 23, will be charged this morning in the Jerusalem District Court "with making arrangements" to transfer information of military value to the Syrian High Command.

Weiss, who has changed his name to Oliver McClean and promoted himself to rank of "Colonel" in the British Army, runs the Byron Institute for English studies in Jerusalem.

The charge sheet accuses him of making contact with Syrian Intelligence in Istanbul on or around August 21 last year in order to sell military information to them. According to the police, documents found in his apartment in Rehov King George will be brought as evidence against him.

Weiss was arrested on the testimony of an Israel citizen who had been in Istanbul at the same time and had found a document in a café allegedly incriminating the accused. *(Itim)*

Tel Aviv Zoo Sends Animals to Hungary

TEL AVIV Monday. — Tel Aviv zoo sent a number of animals to Budapest last week. Mr. B. Cofler, Zoo Manager said that the Budapest zoo director had written to them telling of the complete destruction of the gardens during last November's fighting.

Through the "kindness of El Al, who flew the animals free of charge" the animals were dispatched without a hitch. The consignment consisted of two lion cubs, two porcupines, a ring-tailed tomtil, two mungooses, two long-eared hedgehogs, two Nile geese and ten palm doves.

K-F Cars Under Heavy Fire

By DAN BAVLY, Jerusalem Post Reporter

The cars assembled at the Kaiser-Frazer plant in Haifa are not good enough and are too high-priced to meet competition abroad, was the opinion expressed yesterday by Ministry of Transport sources.

Moreover, the plant has failed to produce a standard model, and the problem of spare parts is consequently no nearer solution today than it was five years ago, when the plant began operations. Although the plant managers at the time undertook to put out a basic model, the factory is now producing its fifth type in as many years.

The original Kaiser model proved unsatisfactory owing to its large size, while the Henry J. and Willys Aero, which followed it, though an improvement, were not of high enough quality to compete abroad with low-priced American makes.

The production of Renault Quatre Chevaux cars, which began late last year, has run into difficult technical snags. It is still too early to draw any conclusions on the assembly of Renault Dauphine models, the sources stated.

Many Cars in Stock

Meanwhile, it is understood that there are large numbers of cars on hand at the Haifa plant waiting for buyers. The Transport Ministry issues only a small number of licences annually for the purchase of these machines by local residents, while demand from abroad for Israel-assembled cars has been steadily on the downgrade.

Moreover, the Ministry is dissatisfied with the plant's product and has ordered a number of medium-priced cars from the U.S. for the country's needs.

It is expected that a complete revaluation of the plant's position in the economy will be made following the report of a special committee currently examining the firm's costing calculations and production quality.

COTY. — The French President, M. Rene Coty, called on Pope Pius XII yesterday in the first official visit of a French Chief of State to a Pontiff in 1,157 years.

New Potash Machinery To Double Output

Jerusalem Post Reporter

BEERSHEBA, Monday. — The Dead Sea Potash Works have ordered special handling machinery from Germany which it is hoped will raise production from the present 5,000 tons a month to 11,000.

The machinery, which has been ordered through Reparations, should be in operation within a year. The purchase was made at the advice of Mr. George Attwood, the American potash expert who visited the Dead Sea Works last September.

It will be used to transport dry carnellite from the drying pans to the factory for processing.

Meanwhile, production at the plant, which had dropped considerably several months ago when a floating pump inexplicably sank in one of the pans, has climbed back to an average of 5,000 tons a month. The pump is again in operation.

In the first four months of 1957, the plant marketed 51,000 tons of potash, all but 5,000 tons of which was sold abroad. This is four times what was exported in the same period last year.

Exports Would Rise By Wine Control

LYDDA AIRPORT, Monday. — Closer control over the quality of wines for export would increase sales six-fold during the next three years, Mr. M. Tsour, Director of the Foreign Trade Division, said before leaving by El Al for the U.S. and Canada.

Complaints against local wines had been mainly caused by lack of standard quality in the wines sent abroad. With the founding of the Wine Institute this would be rectified. Stiff tests would have to be passed, and wines which proved satisfactory would receive a certificate.

'Temperance Women' Threaten Police

Two new immigrant women from Lachish were released on bail yesterday by Jerusalem Magistrate Y. Bareli after they had been arrested on Sunday by the police on suspicion of having written a threatening letter.

The women, Jacqueline Yisrael, 19, and Priha Upiala, 40, allegedly wrote the police that they would burn down the new huts in their village, Sdot Micha, "if the authorities did not put an immediate stop to the sale of bootleg arak to their husbands." The letter was in French.

Their bail was set at IL150 each. *(Itim)*

G.Z. BAZAAR AT Z.O.A. HOUSE

TEL AVIV, Monday. — A bazaar is to be opened by the General Zionist Federation of Women on Saturday at the Z.O.A. House under the patronage of Baroness Bathsheba de Rothschild, and attended by the Mayor of Tel Aviv, Mr. Haim Levanon, and the Chairman of the General Zionist Party, Mr. P. Bernstein, M.K.

It will be open until Monday night, and will display work of members of 30 WIZO branches, as well as products contributed by institutions and firms, the Press was told today. The proceeds finance the Federation's social works.

Jubilee of Oldest Extant Hebrew Journal

Jerusalem Post Reporter

TEL AVIV, Monday. — The oldest active Hebrew periodical, the "Hapoel Hatzair" weekly, this month marks its 50th anniversary.

It was at the beginning of May, 1907, that the first stencilled copy of "Hapoel Hatzair" appeared in Rehovot, put out by 20-year-old Yosef Aharonovitz. The publisher, who later founded the Workers' Bank and was at one time member of the Tel Aviv Municipality, was then a new immigrant from the Ukraine and employed at the workers' canteen in Rehovot.

Aharonovitz was the comrade-in-arms of Yosef Vitkin and Aharon David Gordon, the men who launched the brand of practical Socialist Zionism whose impact is still felt on the Israel political and economic scene. According to their creed, Jews could hope to survive in this hostile world only through rebuilding their ancient homeland and creating a new society in which exploitation of man by his brother would not be possible.

They felt akin to the socialist thinkers of Europe, but did not identify themselves entirely with those teachings. The problems facing the Jewish nation were different, and consequently the solutions must be evolved from the peculiar local conditions of Palestine.

The aim of "Hapoel Hatzair" were, at the time, strongly anti-Marxist. They believed that the road to a Jewish State in Palestine led through integration into the local scene. The very name "Hapoel Hatzair" — "The Young Worker" — was inspired by the example of the Young Turks.

New Departure in Zionism

But it was obvious to the "Hapoel Hatzair" people that a Jewish State would be stillborn if it were founded on "master and serf" relations. They took issue with the colonies run by the Rothschild administration, such as those at Rishon leZion or Yesod Hama'ala, where Jewish settlers had become virtual landlords and where the lands were tilled by hired Arab labour.

In the retrospect of 50 years, their doubts are fully confirmed — in Algeria, where the French colonists are in a position similar to that of Jewish landlords in Rishon leZion.

There was also the question of *Bedingungen oder Dinge* controversy which shook the Zionist movement before the Balfour Declaration, in which "Hapoel Hatzair" firmly took the line that creating *Dinge*, or Facts, must precede negotiations for *Bedingungen*, that is terms or conditions. (The Zionist language of the period was German.) This line of thought is still prevalent in the leading circles of Mapai, the party formed over twenty years ago by the merger of Hapoel Hatzair and the more orthodox Socialists of the then "Ahdut Ha'avoda."

The "Hapoel Hatzair" weekly devoted a good deal of space to these discussions. The paper was soon transferred from Rehovot to Jerusalem, where it was printed under a Cairo dateline — the Ottoman authorities were suspicious of Jewish publications in Palestine — and distributed clandestinely by Yosef Baratz, of Degania.

Cohen Becomes Editor

Yosef Aharonovitz left the editorship in 1923 to Yitzhak Lufban, after whose death, in 1949, its present editor, Mr. Israel Cohen, took over. He had been Lufban's deputy ever since 1933. A native of Buczacz, the home town of the Freud family and of S. J. Agnon, Israel Cohen came to Palestine in 1935 and joined Hulda, the kibbutz founded by A. D. Gordon's followers.

A hundred-page issue will mark the fiftieth anniversary of the weekly. Mr. G. Kressel, the bibliographer, has prepared a detailed index of the articles that appeared during the weekly's half-century. The jubilee will be marked officially by a rally in Rehovot at the end of this month.

The celebrations were delayed so that they would not clash with the May Day and the Independence Day festivities.

The Hebrew University of Jerusalem

deeply regrets to announce the death of

Professor Michael Fekete

a mathematician of renown and a veteran member of its academic staff, formerly Rector, Dean of its Faculty of Science and Mathematics, and Chairman of its Institute of Mathematics

The funeral cortege will leave from the home of the deceased, 33 Rehov Rambam, Jerusalem, today at 12 noon.

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Founded as The Palestine Post in 1932. Published daily except on Saturday in Jerusalem by The Palestine Post Ltd. Registered at the G.P.O.

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Managing Editor
TED R. LURIE

Editorial Office and Management
JERUSALEM : 9 Hahavatzelet P.O.B. 81. Tel. 4253 (4 lines)
TEL AVIV Bureau: 32 Nahlat Binyamin P.O.B. 1125. Tel. 4251/2
HAIFA Bureau: 1 Rehov Khayat P.O.B 86. Tel. 4594 (3 lines)
Subscriptions: Local - IL48.000 per year. Abroad - IL60.-

Tuesday, May 14, 1957
13 Iyar, 5717. — 14 Shawal, 5376

WERE Israel's main economic problems to be stated in a nutshell, one might easily say that the rate of

DEPRECIATION ALLOWANCES

gross investments is very high — some people think too high — and the rate of net investments too low.

In other words, the real advance of productive assets in this country is considerably smaller than one would like to judge from our vast economic activity, because wear and tear on buildings and equipment, the obsolescence of technical facilities and the relative decline of production standards acquired in the past are so much greater than outwardly visible, so that an important part of our newly created assets merely replace others going out of use.

Though an assessment of the magnitudes involved is a highly complicated and speculative task, there is no doubt that domestic savings, i.e. means directed to productive investments, fall short of the (theoretical) amount of annual depreciation, and that we would be wasting our basic resources were it not for the inflow of foreign capital. The annual gap may tentatively be put at some $50m., but as the deficits have long been accumulating the total must have attained alarming proportions by now.

The problem is aggravated by the fact that far from being evenly distributed, the deficits tend to be largest in established industries, few of which have been both prudent and able to put aside adequate replacement reserves. Moreover, most of them do not fully realize the extent of their plight as yet because the picture is falsified by several factors: the low nominal value of original investments on which tax-exempt depreciation rates must be based (besides, to all intents and purposes, the high tax rate precludes the ploughing in of additional funds except for immediately remunerative purposes); the manifold subsidies and controls aimed at keeping prices below their economic levels; the cheap official rate of exchange; the continuous decline of monetary values, which turn prudent savers into foolish losers; our traditional reliance upon public loans at convenient terms; and — last but not least — the very fact that equipment becomes outdated on such a large scale as to reduce the country's general productivity standard.

The problem has long been most acute in domestic transport, and vast investments of public funds have been required to improve the situation. But the position is perhaps even more dangerous in the manufacturing industries, by which so much store is set for the country's development. Almost one-third of their present equipment was acquired before the inception of the State, and another third prior to 1952 (largely on account of the Eximbank loan). Considering the rapid pace of technical advances abroad, one must assume that a sizable part of this machinery will be due for replacement in the not too distant future. Even if the foreign currency for it were available, however, one fails to see how this operation is to be financed.

Moreover, the development authorities are so concerned at present with expanding our production facilities that they risk neglecting the renewal problem, just as they were long loath, in their zealousness to provide our industry with more fixed investments, to divert means for strengthening its circulating capital.

In any case, the reform of depreciation allowances, which would spur industry on to the accumulation of reserve funds, is long overdue. It is difficult to explain why, after years of deliberations, not even the basic principles of such a reform have been decided on: whether to take the form of accelerated depreciation or investment allowances for the future and/or whether a revaluation should be allowed for the past.

Even this reform, however, will not do unless steps are taken to prevent the squandering of reserves on objectives other than depreciation so long as so many other unfavourable circumstances prevail. To this end, the establishment of a special deposit account at the Bank of Israel or at the projected Industrial Bank — following the Swiss or the Indian example — might be contemplated. One also wonders whether much more initiative could not be expected in this respect from the Manufacturers Association and credit institutions that are directly concerned.

Economic News from Abroad

In Search of Prosperity

● While the American investment boom is tapering off, industrial spending in the U.S. is going to continue on a high level, but expanding factories will develop new consumer articles, recent reports indicate. Spending for new plants and equipment in 1957 will be approximately 10 per cent above 1956, and another rise of five per cent is expected in 1958, but outlay for research and the development of new products will rise from $6,100m. in 1956 to $7,300m. in the current year and may reach $9,300m. by 1960.

In fact, manufacturing companies have already appropriated more for research in the next five years than they were spending on all types of new plant and equipment at the end of the war. The reason for this turn is that manufacturing capacity increased by six per cent in 1956, and another six per cent will be ready before long. By then, the manufacturing capacity of American industry will be some 50 per cent above the 1950 level, and companies feel that the time has come to stimulate future demand by creating unknown or improved kinds of goods.

In dollar terms, the heaviest investments in preparing new products will be made by the motor and electric appliances industries, followed by chemical companies that make plastics, paint, packaging, etc. In addition, spending on advertising is going to increase sharply—$10,000m. in 1957 and much more in the future, when the new consumer goods start to appear on the market.

Aluminium Comes to Africa

● The new aluminium plant at Edea, on the Sanaga river in the French Cameroons, reverses the usual notion of colonial development in that it utilizes local low-cost hydro-electric power while the raw materials are imported from Metropolitan France. The factory is to produce 45,000 tons of aluminium ingots or sheets by 1959. African ore will be used in a few years, after several big aluminium projects are established there.

At Boké, in French Guinea, the Aluminium Ltd. of Canada is scheduled to start production in 1960 at an alumina plant with an annual output of 220,000 tons, and at Conakry, in the same country, a similar plant of 480,000-ton capacity is being planned by an international group. Another international study group under French leadership is exploring the possibilities of establishing aluminium plants in French Guinea and in the Middle Congo.

Kenya's Development

● Kenya's national income increased from £53m. in 1947 to £150m. in 1955 and is expected to continue to rise rapidly now that the Mau Mau disturbances have been quelled. About £23m. are to be spent during the next three years under a government development programme covering agriculture, industrial facilities, housing, roads, forestry, education, medical services and community development schemes.

While part of the funds is to be raised by loans in Britain, most of them are to be obtained on the local market, which obviously puts a brake on future projects.

Japan's Common Market

● A new foreign trade policy is now under way in Japan to counter the European Common Market scheme which, Japanese business circles feel, will result in cutting their exports to the countries concerned and may also lead to stiffer competition in other markets. They therefore propose the creation of a similar economic zone in the Far East, in which Japan should take the lead. This ties in with Japan's readiness to go to great lengths in offering credit, technical assistance, training facilities and economic consultation to underdeveloped countries, with a view to expanding trade and finding outlets for capital.

Finland's Inflation

● Large-scale cuts are believed inevitable in Finland's imports in view of the country's deteriorating foreign currency situation. In 1956 Finland's balance of current transactions ended with a deficit of about 15,000m. finmarks ($75m.) and the gap further widened in the first months of 1957 as the population began to purchase goods in order to keep savings inflation-proof while exports encountered difficulties on account of rising domestic costs.

Government Takes Over Fertilizer Plant

By Our Economic Correspondent

FERTILIZERS and Chemicals was considered from the start one of the most promising and ambitious industrial enterprises in this country. Founded almost entirely on local raw materials, assured of an expanding local market by the addition of hundreds of new villages and a growing irrigation network, with fair prospects of export, it promised to develop into a profitable business.

The financial difficulties of the Haifa plant, however, have long been common knowledge. Now the South African shareholders who held £250,000 worth of shares, but who received no dividends in the ten years of their investment, have sold out to the Government. They will get their money in Israel pounds.

The South African Investment Corporation started planning a chemical works in 1946, according to a scheme worked out by Novomeysky who had brought potash production up to 100,000 tons a year by then. They founded a company together with P.I.C.A. and the P.E.C., each of the four partners investing £55,000. Other firms joined the enterprise, more money was drawn in, and after the inception of the State the plant received a good-sized loan from the Export-Import Bank. Later, government credit out of the development budget and various long and short-term loans were used to finance expansion. The enterprise was soon saddled with immense interest burdens.

Production conditions also were difficult. The very modern plant, designed and directed by an expert of international standing, found the phosphates mined in the Negev of inferior quality. Transport costs were prohibitive so that additional loans from the government were necessary. These gave the Ministry of Development, then under Dov Joseph, the opportunity to get 50 per cent of the shares and to change the character of the board.

Until then an executive committee under Ya'acov Geri had been in charge of the business side of the enterprise. It was very small, easy to assemble and able to take quick decisions. Now it was enlarged by the addition of four Ministries: Development, Finance, Commerce and Industry and Agriculture. A representative of the Ministry of Development became Chairman. Mr. Geri was offered the Presidency of the Company. Wanting neither to serve as a mere figurehead nor to bring about a clash between himself and the new Board, he declined the offer. Rav-Aluf Dori, the President of the Technion, was then elected President.

Since then the business superstructure of Chemicals and Fertilizers has withered away. There is a technical and administrative staff but the decisions on business transactions lie with the economic Ministries. The meetings of the Board are held only at long intervals and they are not always attended by the same people.

The present set-up has two severe drawbacks. In the first place, the decisions on actual business policy are made by high government officials who are chronically overworked and unable to give their full attention to the management of the enterprise which is huge, demands constant watch, quick decisions and business experience. The Ministry of Development is responsible for potash and phosphates, for the transport company which hauls the raw materials to Haifa from the Negev, for Fertilizers and Chemicals and for a number of other undertakings. If this responsibility is formal and means delegating the actual business administration and the taking of decisions to responsible managers, it can work. But a tradition of continuous interference without the ability to run the works in practice has grown up.

What is more, the various government departments represented not only on the board but in the executive committee are not always of one mind as to the policy to be followed. There are genuine and legitimate differences of opinion between the various departments. The Ministry of Agriculture is interested first and foremost in getting cheap fertilizers for the farmers. The Treasury is concerned with price stability, the Ministry of Industry with exports, and so on. Last year, when the plant's operatives came out with demands for higher social benefits, the Haifa Labour Council insisted that these be met and a compromise was worked out despite Treasury opposition.

It is obviously not easy to find a common denominator between all these interests, but it certainly is not the task of the board or the executive committee of a business concern to work out a government policy. The management of an enterprise should run it in such as way that it will produce well and cheaply and bring in a profit.

This Fertilizers and Chemicals has been unable to do. Its financial difficulties are almost a byword in the banking world, it has difficulty in finding the credit necessary for its daily business. What is more, although ordinarily an approved enterprise is not subject to price control, in the case of Fertilizers and Chemicals the government has been fixing prices because of their bearing on farm production costs.

There is no use examining past mistakes except to avoid future ones. As government-run enterprises multiply and grow, the need for creating adequate machinery to run them becomes desperately urgent. What is more, during the next few years more public money will be invested. Fertilizers and Chemicals contemplates an expansion to the tune of some IL50m., mainly out of Reparations. Our experience with potash has already shown that industries cannot be run with interference from government departments. The dropping out of one of the big shareholders in Fertilizers and Chemicals is an additional warning signal.

Jordan's Phosphate Exports Rise

THE Jordan Phosphate Company expects to export a record 450,000 tons of phosphate this year. Some of it is to be shipped to Yugoslavia and Italy, but most will go to Far Eastern markets. The country's total phosphate reserves have not yet been assessed conclusively, but they run into several millions of tons.

New Schemes Encourage Saving

Jerusalem Post Reporter

WITH the reformed income tax finally approved and special tax reductions granted for self-employed provident funds, private savings have been encouraged just as personal incomes rise. This trend has also been assisted by the new sense of monetary stability, based though it be upon the spreading use of "linking" clauses rather than upon economic forecasts.

Several schemes for self-employed provident funds have already been launched—mainly by banks — and more may be on the way. The insurance companies are about to open a drive for a revival of life insurance, which experienced a gradual decline during our prolonged inflationary development. After many discussions, the domestic companies have decided to adopt the new practice of policies based upon the c.o.l. index and actual business in this line is to begin shortly. Uniform ten-year policies with a cash-down premium will be introduced, as a first step, with all companies forming a common pool for this scheme. An income tax rebate of 10 per cent of the amount of the premium paid will be a special inducement. The "linking" will be implemented by investing the premium amounts in gilt-edged securities by Treasury agreement with the pooling companies.

Twenty-year policies with annual premium payments will later be offered by the individual companies, though for this scheme the reserves agreement with the Treasury is not yet final.

According to the draft proposal, at least 80 per cent of the premium reserve will be invested in a special type of securities adjusted to the insurance companies' requirements, while the rest may be left at the companies' free disposal. The amount envisaged is at least IL8m. during the next five years, i.e. about 40 per cent of the companies' present production, but a higher minimum may ultimately be fixed.

As far as provident fund schemes are concerned, some final points as regards investment policy are also hanging fire while the relevant regulations are being hammered out by the appointment committee. Nevertheless, the Workers' Bank fund has already started operations, and the Bank Leumi is engaging in preliminary canvassing and negotiations. Organized professional groups are expected to account for most of the members of both funds, though individual membership is also favoured. In any case most of the savings (presumably 65 per cent) will have to be invested in Government or Government-guaranteed securities and no more than a fraction (25 per cent) in loans to members.

Credit To Members

Since the funds will accumulate no reserves of their own, the total yield and interest — free from income tax — will be credited to the members' accounts (though by different systems) and partly employed for life insurance premiums. The Workers' Bank guarantees c.o.l. "linking" for 75 per cent of the amount saved, while the Bank Leumi will assess the market value of the investments monthly according to the unit trust system.

With savers benefiting from an income tax deduction at a rate of 25 per cent of the amount saved (up to a limit of IL1,200 a year), they will be getting an effective yield that may top 10 per cent for the higher income brackets and fairly wide participation is expected in the provident funds.

Ata Solution Must Be Productivity Principle

By Our Economic Correspondent

THE conflict at the Ata and Kurdaneh works calls for attention not only in the interest of one of the best enterprises in this country but also from a broader point of view.

The management refuses to meet the demands of the workers for a wage increase and for higher social benefits, arguing that the profits of the undertaking are so small that it is impossible to pay dividends.

The workers counter this argument with the claim that savings in management could cut down expenditure and increase profits. But it has also been hinted that the Ata management has a comparatively easy way out of the dilemma: it could increase the price of its profits. In any case, it is argued, Ata products are relatively cheap and since they have a very wide local market a slight increase would do the trick. Why then this stubbornness of the management which refuses this way out and has brought about more than one head-on collision with the Haifa Labour Council and the Histadrut?

Two Reasons

There can be two main reasons for pressing wage demands: one is a social one and is based on the assumption that the workers' pay does not correspond to their output; the other, which is an economic one and has generally been a by-product of wage increases in a capitalist society, is that higher wage expenditures will force the employers to introduce more modern machinery and working methods in order to keep up their competitive power. Neither of these reasons conflicts with one basic principle: that the enterprise should continue to be able to produce without raising prices and that dividends should be an integral part of the balance sheet.

If this basic principle is impaired, two results must follow: first, there can be no economic end to wage demands, for the enterprise can always manage by raising prices. The outcome must be inflation and the disappearance of economic yardsticks. Second, the very character of dividends is obliterated. They should represent the profit which the shareholder derives from the plant's earnings. If this becomes impossible and the dividends come out of price rises only, a completely new factor is introduced. The public is asked to contribute to the earnings of a plant, and the shareholders no longer know whether the enterprise is profitable.

It is necessary to state this truism again because our economy is coming to depend less and less on the money of shareholders for the financing of enterprises. Instead, it is becoming customary to look to government sources, development budgets and various other allocations for the capital needed for expansion. It is already often forgotten that paying dividends is the carrot with which enterprises attract new capital. This is the economically sound way because it encourages people to save enough in order to renew plant equipment all round and to introduce the necessary innovations.

If, however, dividends are looked upon as unessential, enterprises will be unable to attract capital, which will have to be found elsewhere—either in higher prices, which in the last resort means inflation, or in open or disguised government help, which means a greater burden for the taxpayer. We have witnessed both these expedients in the past few years. They have brought about an unduly high application of outside assistance to tasks which we should have accomplished by ourselves and the use of public funds for purposes which are properly the concern of private enterprise.

The Ata strike is only one link in the long chain which leads to a divorce between wages and output and to an ever widening sector of public and semi-public enterprise. It can be argued and is being argued that the management of Ata cannot alone break this chain, that in the long run, its stubbornness will hurt the plant, which can be run only in co-operation with the workers and with the agreement of the Haifa Labour Council. But it is the official policy of the government that wage hikes should be granted only insofar as productivity rises. The Histadrut has confirmed this policy more than once. Where higher prices threatened the cost-of-living index, the government has always intervened with subsidies. It appears illogical, therefore, to ask the management of an enterprise which is unable to pay dividends—although it is generally praised for its high efficiency — to raise prices in order to pay higher wages.

It is possible that a compromise will be worked out for the Ata strike. But this will only blur the basic problem without solving it. Shall we go on to make up for the loss of profits by all sort of allocations, grants and subsidies, or at long last attack in earnest the problem of adjusting wages to productivity

Vegetable Fats Should Get Priority

By YA'ACOV ARDON
Jerusalem Post Reporter

AN economist of the U.S. Department of Agriculture, Raymond P. Christensen, has made a study of the comparative efficiency of cows and soy beans as fat producers. He found that per acre (4.1 dunams), a cow yields 46 lbs. of butter fat per year, as against 150 lbs. of vegetable fats extracted from soy beans. In other words, to produce a given calorific value, a cow requires more than three times more land than the plant. (Not allowing for the slaughter value of the cow in due course.)

There is food for some thinking in this comparison. Ever since Malthus, men have speculated on whether the earth can supply all the foodstuffs necessary for feeding the world's growing population. Every day, there are about 70,000 mouths more to feed than the day before. According to a ten-year-old survey of the U.N.'s Food and Agricultural Organization, 46 per cent more meat, 100 per cent more milk and 34 per cent more oils and fats would be needed to bring the nutrition of the nations in different parts of the world up to a "reasonable minimum." Since the survey was made, both populations and food production have leapt ahead. The race continues. As the population of the world increases the need for the most efficient use of land will become more compelling.

On a smaller scale similar problems lie ahead for the agricultural planners in Israel, whose population is expected to grow, through natural increase and immigration, to 4m. in the next 15 years without any comparable expansion of the farmland area.

Natural, economic and social factors complicate the picture, but its broad outline is clear and simple. Apart from a certain amount of staple foods which must be grown at home for security reasons, the country's farmlands must be devoted to crops that command the highest possible international exchange value per dunam. And staple foods that are imported must be appreciably cheaper to buy elsewhere than to produce here (if they can be grown here at all), as well as in line with the food habits and tastes which the country can afford.

British View

The conclusion of a British expert, drawn from the present world food supply situation, applies forcefully to Israel: "We shall probably have to be ready to take our supplies in whatever form will give the maximum amount of nutrition from each acre. In other words, it is most probable that as time goes on people will have to make some sacrifices of their personal tastes in order to obtain sufficient nourishment for all."

On and off, the Government has imported American surplus butter and distributed it as part of the fat ration. Through the subsidy of the American taxpayer and the generosity of Congress, Israel has been enabled, literally, to live on the fat of another land where housewives pay more for butter in the supermarkets than we do here for our ration.

The import of surplus butter has brought within the reach of the consumer a foodstuff that has become a luxury item in most countries of the world. In Israel the price relation between unrationed local butter and margarine is 5:1. In Holland consumption of margarine is seven times that of butter, in Denmark nearly three times.

To the extent that American surplus butter has in the past replaced margarine within the fat ration, it has deprived the local oil crushing industry (nine plants employing over 1,000 persons) of part of their normal business. If they are available at similar bargain prices, there would be a case for importing surplus oil seeds or even semi-finished oil rather than butter, which requires no local labour beyond packaging. If medical authorities in the U.S. and Britain are to be trusted, there is no difference in the nutritional value of vitaminized margarine and that of fresh butter. And the surplus butter, after lengthy storage, is not of the grade A type used for comparative analysis.

Whatever the immediate attractiveness of the import of cheap butter, it is therefore a dubious practice to distribute butter to the population the bulk of which cannot afford it at its normal cost, and will inevitably have to go without when cheap supplies cease. Continued supply of butter at low cost will maintain and develop a taste that cannot be satisfied.

It is long-term food policy that should determine the choice of foods for import, not vice versa, and in these vegetable rather than animal fats must be given preference.

Tel Aviv Stock Market

MAY 13, 1957

Pop. Loan 1949/59 (IL30)	953
4% Comp. Loan 56/67	77
2½% Comp. Loan	69½
3½% War Loan 54/59	95
Pal. Bearer Bds. Ser.3	911
3½% Tavel Dollar x)	782
4% Reg. Sterling "A"	93½
6½% Loc. C. Debs. e-f)	99½
6½% Loc. C. Debs. g)	99½
Pal. Elec. pref. sh. (Ldn.)	350
6½% Bonds 57/64 f)	1091
ditto g)	1114
Koros Rayonod	
6½% Deb. 58/65 f)	1018
ditto g)	1018
Igroth, Ltd.	
6½% Deb. 58/65 f)	1018
Rassco 6½% Deb., 62/64	
Class "A" f)	1018
Class "B" g)	1041
Bk. Leumi ord. sh. d)	155
Bearer Savings Cert. '52 a)	99½
A.P.B. Investment	
4½-6% Conv. Deb. e)	73½
Ord. sh. 'B' reg. d)	96½
Gazit ord. sh. 'B' reg. d)	85½
Elleru's Inv. ord.	147
Gen. Mortg. Bk. ord. sh.	74½
Binur 4% debs. 56/65	85
Nir 5% pref. sh. a)	82
Pass 4% debs. 60/64 reg.	75½
"Inva" 5% debs.	79½
Afr. Pal Inv. ord. sh.	82
I.L.D.C. ord. sh. reg.	77
5 % debs.	71
Rassco 6% pref ord. sh	85½
Ata ord. "B" sh.	85½
6-8% con. debs.	94½
"Kurdaneh" ord. "B"	85½
7% con. debs. 58/68	79
Koller-Dee ord. sh. reg.	73½
Pal.-Brewery 8% con. debs.	95
Assis Rejarano "B" sh	92
Nesher 6% debs. "A"	116
Pal. Potash "A" ord. Sh.	69
"Teva" ord. Sh.	99
Pal. Cold St. ord. sh. reg.	155
Dulek Ord. sh. "C"	96
Pal. Centr. 8% debs. a)	97½
Mekorot pref sh. c)	73½
Jordan Exploration Co. Ord. Sh. reg.	181

Notes: a) purchasing price; b) selling price; c) ex coupon; d) ex-dividend; e) ex-right; f) linked with $; g) linked with C.o.L.; x) in % of IL1,000.

Stocks and Commodities

Steady Market in Tel Aviv

STEADY conditions prevailed on the Tel Aviv market during the past fortnight. The trend was mixed, with changes slight either way. In the Gilt-Edged section Tavel Dollar were outstanding, advancing by more than a whole point, whereas Palestine Electric dollar-linked lost some ground. C.o.L.-linked bonds were generally more than a point higher.

In the stock section there was a number of downs, but by no more than one or two points. These included Bank Leumi, Africa-Palestine, I.L.-D.C. Ata, Kurdaneh, Assis, Teva, and Palestine Cold Storage shares. While no particular drop in shares has been noted since the strike at the Ata works began, prices have probably been influenced by the labour troubles.

Ellern Investment, Palestine Potash ordinary and Palestine Brewery debentures advanced by some two points, while on the "curb" Palestine Brewery ordinary shares rose steadily in the last fortnight, touching a new high of 80 per cent.

Other dealings on the "curb"

New York Industrials Reach 1957 Peak

THE Dow-Jones average for 30 Industrials advanced to 498.30, which is only 0.20 less than the year's high (as against 474.80 at the beginning of the month). The upward trend has been nearly continuous for the past few weeks with excellent first quarter earning reports coming in. U.S. Steel had the best three months in its history, Sinclair Oil and other oil companies their best earnings ever.

On Friday, big international petroleum operators experienced a particular rise with Gulf Oil up by more than four points bringing its gains up to nine points in three days. This advance appears to be connected with the possibility of an early stock split and the prediction that Gulf will absorb Texas Gulf Producing Company. Texaco, Royal Dutch and Socony were others in this section to show a sizable improvement. Thus on Friday Gulf Oil stood at 149.78, Royal Dutch at 49¾, Socony at 59.

The price of Israel oil shares on the New York market was unchanged, with Israel-American Oil at 2¼ and Pan-Israel at ⅞.

High Activity, Irregular Markets in London

THE business volume on the London market was at its highest level in nearly two years, with "markings" reaching 17,727. After an earlier advance, markets reacted at week's end. The unsettled conditions resulted from the local election results and the Labour upswing. Steel shares, in particular, were hit on fears of renationalization. Breweries continued to be in demand, with foreign bonds rather neglected.

Reuter's U.K. Index for Industrials stood at 234.9 as against 222.1 at the beginning of the month. The pound sterling was weaker with transferable at 277.40 cents and security at 256 cents.

Demand for Oils in Paris

ON the Paris Bourse too the demand for oils was conspicuous and reversed the weak trend that had persisted for the past few days. Suez Canal shares were slightly better at Ffrs 57,200. One kilohar of gold was Ffrs 470,000, the sovereign stood at 4,250 and the unofficial rate for the U.S. dollar was Ffrs 403. after 398 earlier in the week.

Drop in Ruble Exchange

The Russian Ruble is dropping fast on the free market and is reported to be selling at between two and three cents as against seven last December. Commentators report that confidence in the Ruble was shaken by its decents for tourists and particularly by the 25-year post-valuation from 25 cents to 10 ponement of the redemption of the State Loan certificates that Soviet workers were forced to buy.

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